REGULAR BOARD MEETING
Wednesday, June 18, 2025
12:00 p.m.
Hybrid Participation

CLALLAM TRANSIT SYSTEM
In-Person: 830 W. Lauridsen Blvd. Port Angeles
Virtual: 253-215-8782
Meeting ID: 858 1027 6869

AGENDA

Agenda items requiring action may be taken by unanimous consent, when appropriate to do so.

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

The public is welcome to participate in the meeting by joining via phone by calling **253-215-8782**, entering meeting ID no. **858 1027 6869** or by attending in-person. However, we encourage anyone interested in providing public comment to the CTS Board to please email your comments to boardclerk@clallamtransit.com or mail to Clallam Transit System, 830 West Lauridsen Boulevard, 98363. Providing comments 24 hours in advance of the meeting will ensure that they are distributed to the board. During the public comment period, persons may speak for up to three minutes by stating their name and residential jurisdiction. Comments will be addressed to the entire CTS Board and not to one individual. Board members will not provide responses or engage in direct conversation during the public comment period.

PRESENTATION

A. **CTS 30-year Anniversary – Gary Abrams, Maintenance Manager**

CONSENT AGENDA

A. **Factsheet 2025-036:** Consent Agenda – Motion No. M15:2025
   - **Payment Listing** – May 15, 2025, through June 11, 2025
   - **Board Meeting Minutes** – May 21, 2025
   - **Resolution R11:2025** – 30-year anniversary – Gary Abrams, Maintenance Manager

ACTION ITEMS

A. **Factsheet 2025-037:** Recompete Grant Contract - Olympic Community of Health – Motion No. M16:2025
   Jim Fetzer, General Manager
B. **Factsheet 2025-038**: Dump Truck Procurement Authorization – Motion No. M17:2025
   Gary Abrams, Maintenance Manager
C. **Factsheet 2025-043**: Resignation Board Member Brendan Meyer – Motion No. M18:2025
   Jim Fetzer, General Manager

INFORMATIONAL ITEMS

A. Executive Report — Jim Fetzer, General Manager
   1. **Transit Development Plan (TDP) Draft Review**
   2. **WSDOT Consolidated Program Grant Awards**
B. **Factsheet 2025-039:** Operations Department Report — Jason McNickle, Operations Manager
C. **Factsheet 2025-040:** Finance Department Report — Cherie Huxtable, Finance Manager
D. Maintenance Department Report — Gary Abrams, Maintenance Manager
E. **Factsheet 2025-041:** Administrative Services Department Report — Barb Cox, Human Resources Manager

BOARD OPEN DISCUSSION

ADJOURNMENT

Next regular meeting: August 27, 2025

Title: June 2025 Consent Agenda
Submitted By: James I. Fetzer, General Manager
Authorized By: N/A

Factsheet: 2025-036
Date: June 18, 2025

Background
The Clallam Transit System Board (Board) has adopted the special rule order for the consent agenda process, as outlined in the Section 3.4 Parliamentary Procedure of the *Bylaws of the Clallam County Public Transportation Benefit Area*. All items listed within the consent agenda have been distributed to each member of the Board for review prior to the meeting and will be enacted by one motion of the Board with no separate discussion. If separate discussion is desired, then by request, that item may be removed from consent agenda.

Discussion
- **Payment Listing:** The listing of payments as summarized in the attached memorandum are presented for review and approval by the Board.
- **Board Meeting Minutes:** The minutes from the last meeting have been drafted and are presented for review and approval by the Board.
- **Resolution:** 30-Year Service Anniversary – Gary Abrams

Recommended Action
Move to approve the actions outlined above in the consent agenda by CTS Motion No. M15:2025, as presented.

Attachments
- Payment Listing May 15, 2024, through June 11, 2025
- May 21, 2025, Board Meeting Minutes
- Resolution R11:2025 – 30 Year Service Anniversary – Gary Abrams

Passed and adopted by the Board at a regular meeting by CTS Motion No. M15:2025 thereof this 18th day of June 2025.

_____
Mark Ozias, Board Chairperson

Approved as to Content:

_____
James I. Fetzer, General Manager

Attest:

_____
Barb Cox, Clerk to the Board

Orig: Board Meeting File

830 West Lauridsen Boulevard
Port Angeles, Washington 98363

www.clallamtransit.com
360-452-4511

Title: Payment Listing for Board Approval

Submitted By: Cherie Huxtable, Finance Manager

Authorized By: Jim Fetzer, General Manager

PAYMENT LISTING FOR BOARD APPROVAL

The listing of payments as summarized above and listed on the following pages, are hereby presented for approval.

"I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein and that the claims are just and due obligations against the Clallam Transit System, and that I am authorized to authenticate and certify to said claims."

Finance Manager — June 18, 2025 (Date)

PAYMENT LISTING SUMMARY FOR JUN BOARD REPORT

Umpqua Bank	From	To	From	To	Amount
Automated Checks	5/15/2025	6/11/2025	101488	101604	161,842.52
ACHs - External Initiated	5/15/2025	6/11/2025	50751	50761	253,697.11
ACHs - Other Internal Initiated	5/15/2025	6/11/2025	306	327	223,105.94
		TOTAL "Accounts Payable Check Disbursement List"			**$ 638,645.57**
ACHs - Payroll Internal Initiated	5/15/2025	6/11/2025	EFT0033	EFT0035	404,117.82
				TOTAL ACH REGISTER	**$ 404,117.82**
				TOTAL ALL PAYMENTS	**$ 1,042,763.39**

BOARD APPROVAL OF PAYMENT LISTING

Payments audited and certified by the finance manager as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing which has been made available to the Board.

The Clallam Transit System Board, by a (unanimous, majority) vote, does approve for payment those checks and electronic payments disbursed and included on the listings provided.

Chair — Date

Clallam Transit System

Check Report

By Check Number

Date Range: 05/15/2025 - 06/11/2025

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: 6078 - Checking-Umpqua Checking						
Payment Type: EFT						
214	AMALGAMATED TRANSIT UNION	05/15/2025	EFT	0.00	2,231.19	306
210	EMPLOYEES ASSOCIATION	05/15/2025	EFT	0.00	484.50	307
810	HRA VEBA	05/15/2025	EFT	0.00	9,494.16	308
068	INT'L CITY MGMT ASSOC RETIREMENT CORP	05/15/2025	EFT	0.00	10,897.29	309
843	PF EA CHARITY FUND	05/15/2025	EFT	0.00	32.00	310
240	UNITED WAY OF CLALLAM COUNTY	05/15/2025	EFT	0.00	40.00	311
5055	JOSHUA LEONARD CLARK	05/16/2025	EFT	0.00	567.37	312
5001	JUSTIN BURNS	05/16/2025	EFT	0.00	687.60	313
633	PETROCARD, INC	05/23/2025	EFT	0.00	11,030.13	314
5137	Douglas Gates	05/23/2025	EFT	0.00	119.00	315
214	AMALGAMATED TRANSIT UNION	05/30/2025	EFT	0.00	1,873.28	316
210	EMPLOYEES ASSOCIATION	05/30/2025	EFT	0.00	479.50	317
810	HRA VEBA	05/30/2025	EFT	0.00	4,798.31	318
068	INT'L CITY MGMT ASSOC RETIREMENT CORP	05/30/2025	EFT	0.00	10,986.98	319
843	PF EA CHARITY FUND	05/30/2025	EFT	0.00	32.00	320
240	UNITED WAY OF CLALLAM COUNTY	05/30/2025	EFT	0.00	40.00	321
325A	HEALTH CARE AUTHORITY	06/06/2025	EFT	0.00	167,389.68	322
633	PETROCARD, INC	06/06/2025	EFT	0.00	621.74	323
5137	Douglas Gates	06/06/2025	EFT	0.00	661.21	324
KG021	KEVIN E GALLACCI	06/06/2025	EFT	0.00	300.00	325
LH087	Leo Hansen	06/06/2025	EFT	0.00	300.00	326
5133	Michelle Treider	06/06/2025	EFT	0.00	40.00	327
			Total EFT:	**0.00**	**223,105.94**	

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payment Type: Bank Draft						
858	EFTPS - 941 DEPOSITS	05/16/2025	Bank Draft	0.00	67,657.50	50751
858	EFTPS - 941 DEPOSITS	05/16/2025	Bank Draft	0.00	14.76	50751
858	EFTPS - 941 DEPOSITS	05/16/2025	Bank Draft	0.00	-14.76	50751
858	EFTPS - 941 DEPOSITS	05/16/2025	Bank Draft	0.00	-67,657.50	50751
303	WA DRS - DEPT OF RETIREMENT SRVCS	05/16/2025	Bank Draft	0.00	43,577.16	50752
1241	UNITED PARCEL SERVICE	05/16/2025	Bank Draft	0.00	40.41	50753
303	WA DRS - DEPT OF RETIREMENT SRVCS	05/16/2025	Bank Draft	0.00	10,250.08	50754
303	WA DRS - DEPT OF RETIREMENT SRVCS	05/16/2025	Bank Draft	0.00	7,847.80	50755
303	WA DRS - DEPT OF RETIREMENT SRVCS	05/16/2025	Bank Draft	0.00	9,983.56	50756
858	EFTPS - 941 DEPOSITS	05/16/2025	Bank Draft	0.00	67,539.56	50757
858	EFTPS - 941 DEPOSITS	05/30/2025	Bank Draft	0.00	70,250.76	50758
303	WA DRS - DEPT OF RETIREMENT SRVCS	05/30/2025	Bank Draft	0.00	43,314.19	50759
184	WA DOR - B&O TAXES	06/06/2025	Bank Draft	0.00	202.85	50760
1032	WA DOR - BUSINESS LICENSE	06/06/2025	Bank Draft	0.00	690.74	50761
			Total Bank Draft:	**0.00**	**253,697.11**	

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payment Type: Regular						
1209	ALABAMA CHILD SUPPORT PAYMENT CENTER	05/15/2025	Regular	0.00	170.77	101488
1150	AMAZON CAPITAL SERVICES	05/20/2025	Regular	0.00	162.66	101489
999	CENTURYLINK	05/20/2025	Regular	0.00	233.63	101490
1066	CINTAS CORPORATION NO 3	05/20/2025	Regular	0.00	197.48	101491
245	CITY /PORT ANGELES	05/20/2025	Regular	0.00	78.09	101492
361	COPY CAT GRAPHICS & SIGNS, LLC	05/20/2025	Regular	0.00	1,660.73	101493
435	GALLS PARENT HOLDINGS LLC	05/20/2025	Regular	0.00	265.73	101494
057	GRAINGER	05/20/2025	Regular	0.00	43.91	101495
014	LES SCHWAB GROUP HOLDINGS LLC	05/20/2025	Regular	0.00	771.45	101496
923	MATTHEW C LASHER III	05/20/2025	Regular	0.00	67.98	101497
874	NORTHWEST PLASTICS, INC.	05/20/2025	Regular	0.00	1,772.90	101498
453	OLYMPIC ELECTRIC CO INC	05/20/2025	Regular	0.00	260.54	101499
096	OLYMPIC PRINTERS, INC.	05/20/2025	Regular	0.00	692.60	101500
564	PUD #1 OF CLALLAM COUNTY	05/20/2025	Regular	0.00	15.09	101501
1239	Security Service Northwest, Inc.	05/20/2025	Regular	0.00	495.00	101502
181	VERIZON WIRELESS,BELLEVUE	05/20/2025	Regular	0.00	363.27	101503
181	VERIZON WIRELESS,BELLEVUE	05/20/2025	Regular	0.00	522.53	101504
509	VESTIS GROUP	05/20/2025	Regular	0.00	117.38	101505
145	WSTA	05/20/2025	Regular	0.00	1,200.00	101506
1150	AMAZON CAPITAL SERVICES	05/21/2025	Regular	0.00	707.82	101507
510	CUMMINS INC.	05/21/2025	Regular	0.00	322.91	101508
307	FERRELLGAS LP	05/21/2025	Regular	0.00	1,913.75	101509
305	GILLIG LLC	05/21/2025	Regular	0.00	2,236.08	101510
1224	KBT DISTRIBUTING LLC	05/21/2025	Regular	0.00	30,789.34	101511
471	PRICE FORD	05/21/2025	Regular	0.00	1,383.14	101512
221	RACE STREET AUTO PARTS-NAPA	05/21/2025	Regular	0.00	707.41	101513
1263	Adam Ybarra	05/27/2025	Regular	0.00	10.00	101514
1150	AMAZON CAPITAL SERVICES	05/27/2025	Regular	0.00	96.99	101515
504	ANGELES COMMUNICATION INC	05/27/2025	Regular	0.00	614.74	101516
999	CENTURYLINK	05/27/2025	Regular	0.00	264.27	101517
031	CITY OF PORT ANGELES	05/27/2025	Regular	0.00	1,468.90	101518
960	EVERGREEN COLLISION CENTER, INC.	05/27/2025	Regular	0.00	4,347.23	101519
435	GALLS PARENT HOLDINGS LLC	05/27/2025	Regular	0.00	396.42	101520
096	OLYMPIC PRINTERS, INC.	05/27/2025	Regular	0.00	1,687.95	101521
564	PUD #1 OF CLALLAM COUNTY	05/27/2025	Regular	0.00	72.26	101522
536	THRYV, INC	05/27/2025	Regular	0.00	35.00	101523
509	VESTIS GROUP	05/27/2025	Regular	0.00	113.28	101524
145	WSTA	05/27/2025	Regular	0.00	800.00	101525
1150	AMAZON CAPITAL SERVICES	05/28/2025	Regular	0.00	176.27	101526
510	CUMMINS INC.	05/28/2025	Regular	0.00	1,638.53	101527
1143	DOBBS HEAVY DUTY HOLDINGS LLC	05/28/2025	Regular	0.00	1,035.90	101528
307	FERRELLGAS LP	05/28/2025	Regular	0.00	698.97	101529
322	MOHAWK MFG. & SUPPLY CO.	05/28/2025	Regular	0.00	382.44	101530
221	RACE STREET AUTO PARTS-NAPA	05/28/2025	Regular	0.00	124.11	101531
179	BANK OF AMERICA	05/30/2025	Regular	0.00	152.46	101532
US0506	US BANK 0506	05/30/2025	Regular	0.00	65.97	101533
US2204	US BANK 2204	05/30/2025	Regular	0.00	260.72	101534
US3520	US BANK 3520	05/30/2025	Regular	0.00	300.40	101535
US6068	US BANK 6068	05/30/2025	Regular	0.00	200.94	101536
US6383	US BANK 6383	05/30/2025	Regular	0.00	204.11	101537
US6466	US BANK 6466	05/30/2025	Regular	0.00	225.55	101538
US9494	US BANK 9494	05/30/2025	Regular	0.00	2,710.23	101539
US9949	US BANK 9949	05/30/2025	Regular	0.00	122.35	101540
US1603	USBANK 1603	05/30/2025	Regular	0.00	1,113.53	101541
	Void	05/30/2025	Regular	0.00	0.00	101542
US3151	USBANK 3151	05/30/2025	Regular	0.00	876.68	101543
US9673	USBANK 9673	05/30/2025	Regular	0.00	204.40	101544
US9737	USBANK 9737	05/30/2025	Regular	0.00	1,324.04	101545
1209	ALABAMA CHILD SUPPORT PAYMENT CENTER	05/30/2025	Regular	0.00	170.77	101546
1150	AMAZON CAPITAL SERVICES	06/03/2025	Regular	0.00	496.87	101547

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
504	ANGELES COMMUNICATION INC	06/03/2025	Regular	0.00	2,163.63	101548
1164	BRETT A ROMANO	06/03/2025	Regular	0.00	691.53	101549
109	CENTURYLINK	06/03/2025	Regular	0.00	143.46	101550
1081	CINTAS CORP NO 2	06/03/2025	Regular	0.00	260.30	101551
1066	CINTAS CORPORATION NO 3	06/03/2025	Regular	0.00	394.96	101552
245	CITY /PORT ANGELES	06/03/2025	Regular	0.00	35.49	101553
1089	DR PANZA LLC	06/03/2025	Regular	0.00	420.00	101554
435	GALLS PARENT HOLDINGS LLC	06/03/2025	Regular	0.00	22.91	101555
057	GRAINGER	06/03/2025	Regular	0.00	238.88	101556
1223	HORTON WEIBEL BROUGHTON & PALMER PLLC	06/03/2025	Regular	0.00	53.00	101557
014	LES SCHWAB GROUP HOLDINGS LLC	06/03/2025	Regular	0.00	1,967.08	101558
923	MATTHEW C LASHER III	06/03/2025	Regular	0.00	631.62	101559
119	QUILLAYUTE VALLEY SCHOOL DISTRICT #402	06/03/2025	Regular	0.00	2,465.05	101560
036	ROBERT PURCELL	06/03/2025	Regular	0.00	595.00	101561
1239	Security Service Northwest, Inc.	06/03/2025	Regular	0.00	2,475.00	101562
1161	THREATLOCKER, INC.	06/03/2025	Regular	0.00	2,146.41	101563
181	VERIZON WIRELESS,BELLEVUE	06/03/2025	Regular	0.00	1,131.05	101564
181	VERIZON WIRELESS,BELLEVUE	06/03/2025	Regular	0.00	4,231.27	101565
509	VESTIS GROUP	06/03/2025	Regular	0.00	118.81	101566
344	XEROX CORPORATION	06/03/2025	Regular	0.00	78.92	101567
510	CUMMINS INC.	06/04/2025	Regular	0.00	359.90	101568
1143	DOBBS HEAVY DUTY HOLDINGS LLC	06/04/2025	Regular	0.00	590.32	101569
307	FERRELLGAS LP	06/04/2025	Regular	0.00	2,236.47	101570
305	GILLIG LLC	06/04/2025	Regular	0.00	3,663.21	101571
178	HARLOW'S BUS SALES INC.	06/04/2025	Regular	0.00	3,023.37	101572
1128	NFI PARTS	06/04/2025	Regular	0.00	1,490.70	101573
221	RACE STREET AUTO PARTS-NAPA	06/04/2025	Regular	0.00	340.81	101574
1261	The W.W. Williams Company LLC	06/04/2025	Regular	0.00	484.56	101575
1150	AMAZON CAPITAL SERVICES	06/10/2025	Regular	0.00	795.36	101576
885	CBS REPORTING, INC	06/10/2025	Regular	0.00	473.00	101577
1081	CINTAS CORP NO 2	06/10/2025	Regular	0.00	39.44	101578
393	CITY OF FORKS	06/10/2025	Regular	0.00	3,351.36	101579
031	CITY OF PORT ANGELES	06/10/2025	Regular	0.00	4,710.56	101580
510	CUMMINS INC.	06/10/2025	Regular	0.00	879.66	101581
982	FASTENAL COMPANY	06/10/2025	Regular	0.00	6.39	101582
467	KNIGHT FIRE PROTECTION	06/10/2025	Regular	0.00	1,703.21	101583
1121	LEMAY MOBILE SHREDDING	06/10/2025	Regular	0.00	72.28	101584
014	LES SCHWAB GROUP HOLDINGS LLC	06/10/2025	Regular	0.00	1,426.85	101585
923	MATTHEW C LASHER III	06/10/2025	Regular	0.00	420.99	101586
1206	MOTIVE TECHNOLOGIES, INC.	06/10/2025	Regular	0.00	628.09	101587
862	NORTHWEST LIFT & EQUIPMENT LLC	06/10/2025	Regular	0.00	441.61	101588
1052A	OneBridge Benefits	06/10/2025	Regular	0.00	150.00	101589
1183	PROCOM LLC	06/10/2025	Regular	0.00	312.00	101590
440	SHERWIN-WILLIAMS CO.	06/10/2025	Regular	0.00	2,042.42	101591
108	SOUND PUBLISHING INC.	06/10/2025	Regular	0.00	699.00	101592
1266	Transportation Choices Coalition	06/10/2025	Regular	0.00	750.00	101593
1046	UNITE GPS LLC	06/10/2025	Regular	0.00	3,527.50	101594
509	VESTIS GROUP	06/10/2025	Regular	0.00	113.28	101595
746	WEST WASTE & RECYCLING, INC.	06/10/2025	Regular	0.00	120.00	101596
344	XEROX CORPORATION	06/10/2025	Regular	0.00	391.51	101597
1143	DOBBS HEAVY DUTY HOLDINGS LLC	06/11/2025	Regular	0.00	350.38	101598
307	FERRELLGAS LP	06/11/2025	Regular	0.00	1,462.38	101599
305	GILLIG LLC	06/11/2025	Regular	0.00	365.52	101600
1224	KBT DISTRIBUTING LLC	06/11/2025	Regular	0.00	31,120.84	101601
751	MUNCIE RECLAMATION & SUPPLY	06/11/2025	Regular	0.00	2,069.79	101602
221	RACE STREET AUTO PARTS-NAPA	06/11/2025	Regular	0.00	973.21	101603

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
369	SEON SYSTEMS SALES, INC.	06/11/2025	Regular	0.00	447.71	101604
			Total Regular:	**0.00**	**161,842.52**	

Bank Code 6078 - Checking Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	229	116	0.00	161,842.52
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	0.00
Bank Drafts	21	14	0.00	253,697.11
EFT's	53	22	0.00	223,105.94
	303	**153**	**0.00**	**638,645.57**

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	229	116	0.00	161,842.52
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	0.00
Bank Drafts	21	14	0.00	253,697.11
EFT's	53	22	0.00	223,105.94
	303	**153**	**0.00**	**638,645.57**

Fund Summary

Fund	Name	Period	Amount
100	General Fund	5/2025	375,644.43
100	General Fund	6/2025	263,001.14
			638,645.57

BOARD MEETING MINUTES

Wednesday, May 21, 2025
Regular Meeting

In-person Meeting:
830 West Lauridsen Blvd., Port Angeles
Virtual: 858 1027 6869

BOARD MEMBERS PRESENT: Randy Johnson, Clallam County; Mike French, Clallam County; Clint Wood, City of Forks; Navarra Carr, City of Port Angeles; Brendan Meyer, City of Port Angeles; Kelly Burger, City of Sequim; Rachel Anderson, City of Sequim; and Rick Burton, ATU Local 587 Representative (non-voting)

STAFF PRESENT: Jim Fetzer, General Manager; Jason McNickle, Operations Manager; Barb Cox, Human Resources Manager/Clerk to the Board; Cherie Huxtable, Finance Manager; Gary Abrams, Maintenance Manager; and Hayley Grall/Deputy Clerk to the Board

1. **CALL TO ORDER**
   Meyer called the in-person and virtual meeting to order at 12:00 p.m., with 7 voting members present. ***Quorum met.***

2. **ROLL CALL**
   Lindsey Schromen-Wawrin, City of Port Angeles; Mark Ozias, Clallam County; and Jeff Gingell, City of Forks; were absent.

3. **PUBLIC COMMENT**
   None.

   Chairperson Meyer amended agenda to move Action Item C. before presentations.

4. **ACTION ITEMS**
   C. **Factsheet 2025-031: Acting General Manager Appointment – Resolution No. R10:2025**
   Recommendation from the special committee to appoint Operations Manager Jason McNickle as the CTS interim acting general manager effective August 1, 2025, to remain in effect until rescinded by the Board or for a period of 14 calendar days after the fulfillment of the general manager position. The authorized annualized compensation will be $136,725 which is 10% above his current salary and may be amended in accordance with the *CTS Compensation Plan for Non-represented Employees.*

   FINAL ACTION: Johnson moved to** approve by CTS Resolution No. R10:2025 as presented.* ***Motion passed – unanimous consent.

5. **PRESENTATION**
   A. Retirement Recognition – Fixed-route Dispatcher Karen Martin
   B. Employee of the Year 2024 – Fixed-route Operator Denny Goudie – not present.
   C. Washington State Insurance Pool (WSTIP) – Safety Star Award

6. **CONSENT AGENDA**
   A. **Factsheet 2025-028: Consent Agenda – Motion No. M12:2025**
   - **Payment Listing** – April 10, 2025 through May 14, 2025
   - **Board Meeting Minutes** – April 21, 2025
   - **Resolution No. R7:2025 – Employee of the Year 2024 – Denny Goudie**
   - **Resolution No. R8:2025 – Retirement Recognition – Karen Martin**
   - **Resolution No. R9:2025 – Retirement Recognition – David Larrabee**
   - **Proclamation No. P3:2025 – Ride Transit Month – June**

   FINAL ACTION: Johnson moved** to approve the consent agenda as presented.* ***Motion passed unanimously.

7. *ACTION ITEMS CONTINUED*

A. Factsheet 2025-029: General Manager Recruitment and Transition Plan – Motion No. M13:2025
CTS General Manager Recruitment Plan submitted by the Special Committee for acceptance presented.

FINAL ACTION: Wood moved *CTS Motion No. M13:2025 as presented.* ***Motion passed unanimously.***

B. Factsheet 2025-030: Facility Remodel Contract Hoch Construction – Motion No. M14:2025
Hoch Construction contract execution authorization for the facility remodel.

FINAL ACTION: Wood moved *to authorize by CTS Motion No. M14:2025 as presented.* ***Motion passed unanimously.***

8. INFORMATIONAL ITEMS

A. Executive Report

1) General Manager Recruitment and Transition Planning Meeting Minutes: Presented.

- **Grant updates:** Federal funding remains uncertain.
- **Federal Transit Administration:** Grant applications due by end of the month.
- **Hurricane Ridge:** Seasonal service begins May 24, 2025.

B. Factsheet 2025-032: Operations Department Report: Report overview provided.

C. Factsheet 2025-033: Finance Department Report: Report overview provided.

D. Maintenance Department Report

- **Bus shelters:** One replaced. Vandalism continues to decrease.
- **Paratransit vehicles**: 10 new vehicles almost all in service.

E. Factsheet 2025-034: Administrative Services Department Report: Report overview provided.

1) Factsheet 2025-035: Paid Family and Medical Leave Policy Update: Regulatory update presented.

9. BOARD OPEN DISCUSSION

- Kelly Burger welcomed to the board.
- Avail extension to allow time necessary for maintenance transition to TransTrack software.
- Commissioners met with Quileute Tribe and discussed bus service to Rialto Beach.

10. MEETING ADJOURNMENT

Next board meeting, June 18, 2025, at 12:00 p.m. with in-person and remote options.

There being no further business, the board chairperson adjourned the meeting at 12:50 p.m.

Board Chairperson

Hayley Grall, Deputy Clerk to the Board

GARY ABRAMS 30-YEAR SERVICE ANNIVERSARY
RESOLUTION NO. R11:2025

A resolution of the Board of Clallam Transit System for the purpose of honoring Maintenance Manager Gary Abrams for his 30 years of service.

Whereas, Gary Abrams has provided commendable service for Clallam Transit System since June 27,1995; and

Whereas, Gary began his career with Clallam Transit System as a maintenance service worker; and

Whereas, Gary has been promoted to lead maintenance worker, maintenance supervisor, temporary assistant maintenance manager, and to maintenance manager throughout his career, and

Whereas, Gary was selected and successfully completed the Washington State Transit Association Transits Next Leaders Institute; and

Whereas, throughout his career Gary has made contributions outside of his positions that include serving as a member of the accident review board and employees' association; and

Whereas, Gary was selected and honored as employee of the third quarter of 2000, employee of the year for 2019, and has received other nominations along the way, and

Whereas, Gary was selected and served as the COVID-19 Safety Plan Coordinator; and

Whereas, Gary has received many commendations during his career in recognition of his expertise and dedication to Clallam Transit System; and

Now, therefore be it resolved that the Board of Clallam Transit System takes great pleasure in recognizing Gary Abrams for his 30 years of dedication hereby expressing the sincerest gratitude for the service he has provided to the people of Clallam County and Clallam Transit System.

Passed and adopted by the Board at a regular meeting thereof this 18th day of June 2025.

_____

Mark Ozias, Board Chairperson

Approved as to content:

_____

James I. Fetzer, General manager

Attest:

_____

Barb Cox, Clerk to the Board

Title: Recompete Grant Contract – Olympic Community of Health
Submitted By: James I. Fetzer, General Manager
Authorized By: N/A

Factsheet: 2025-037
Date: June 18, 2025

Background
Clallam Transit System (CTS) has been participating in the North Olympic Peninsula Recompete Coalition (NOPRC) in the development of the Recompete Pilot Program as a transportation resource for Clallam County residents participating in the program. The NOPRC is a group comprised of representatives from Clallam and Jefferson Counties, including area tribal communities, that have worked together to secure funding to support the revitalization of the natural resource industries in the region. The purpose of the coalition is to enhance the supply chain infrastructure, support innovative forest product manufacturing, and support workers in distressed communities through various economic development initiatives. The initiative includes connecting lower paid or underemployed individuals to living wage jobs throughout the region and CTS has submitted an array of transportation options to support this effort. Through NOPRC's work the Olympic Community of Health (OCH) was awarded a $35 million grant from the U.S. Department of Commerce, Economic Development Administration (EDA). and has selected a rideshare option to support the cost of up to three rideshare groups to connect eligible individuals participating in the program in accessing employment.

OCH plans to contract with CTS for up three rideshare groups, to include up to three vans, for program participants. CTS plans to charge our established rideshare rates for this service. Jefferson Transit Authority (JTA) will also be participating in the Recomplete Pilot Program by supplying a limited number of vanpools for participants in Jefferson County.

Discussion
The OCH has requested to enter into a contract with CTS for the provision of up to three rideshare groups, to include up to three vans to support the program at a cost of up to $135,000. The cost for the provision of this service would be reimbursed to CTS by OCH through the EDA grant.

Recommended Action
Move to authorize by CTS Motion No. M16:2025 to authorize the CTS general manager to execute the grant agreement with the Olympic Community of Health, as presented.

Attachments
Grant Agreement – Olympic Community of Health – Economic Development Administration

Passed and adopted by the Board at a regular meeting by CTS Motion No. M16:2025 thereof this 18th day of June 2025.

_____
Mark Ozias, Board Chairperson

Approved as to content:

_____
James I. Fetzer, General Manager

Attest:

_____
Barb Cox, Clerk to the Board

Orig: Recompete Grant Application – Olympic Community of Health
Cc: Board Meeting Packet

GRANT AGREEMENT

Grantee Legal Name: Clallam County Public Transportation Benefit Area

Grant ID: Removing Transportation Barriers in Clallam County

Dear Jim Fetzer:

It is my pleasure to inform you that Olympic Community of Health (hereinafter "OCH") has authorized a grant to Clallam County Public Transportation Benefit Area ("*Grantee*") in the maximum amount of $135,000 (One-hundred thirty-five thousand dollars) (the "*Grant*"), payable on a cost reimbursement basis as set forth below, subject to Grantee's acceptance of, compliance with or the making of, as the case may be, the terms, conditions, agreements, warranties, representations, and other provisions set forth in this agreement (this "*Agreement*").

The Grant originates with the U.S. Commerce Department, Economic Development Administration (the "*EDA*"), and shall be used for the purpose of removing transporation barriers through vanpool vouchers in Clallam county to support barrier removal to good jobs for the prime age employment group (collectively, the "*Purpose*") and in accordance with the Project Deliverables and Scope of Work ("**SOW**") in Exhibit B and Exhibit C.

Grantee and OCH acknowledge, agree, and consent to the following terms, conditions, agreements, warranties, representations, and other provisions, which either relate to or are attached to the Grant:

1) ***Payment of Grant Funds.***

a) **Payment Process.** Grantee will submit invoices to OCH for all amounts to be paid on a cost reimbursement basis in accordance with Exhibits A and Exhibit B, attached hereto and incorporated herein. Invoices are due no later than the 25th day of the month following the month of services provided and must provide detailed information as requested. Invoices shall be delivered electronically with all backup documentation to och@olympicch.org. All invoices must be approved by OCH prior to payment; approval will not be unreasonably withheld. OCH will authorize payment only upon satisfactory completion and acceptance of deliverables and for allowable costs as outlined in the scope of work and budget. OCH will return all incorrect or incomplete invoices and will not pay for services that occur outside the period of performance. Grantee will not invoice for services if they are entitled to payment, have been, or will be paid by any other source for that service. OCH will issue payment within 45 days of approving an invoice and approving the deliverable(s), if any. OCH must receive correct and complete invoices within 15 days of the contract expiration date. Failure to submit a properly completed IRS form W9 may result in delayed payments.

b) **Nonpayment by OCH.** OCH shall be excused from payments if funds allocated cease to be available for any cause other than misfeasance of OCH itself. This may be predicated by unforeseen events such as government shutdowns, grant cancellations and any other event in which the OCH is no longer funded to support this Agreement or associated SOW. The Grantee acknowledges that its compensation for this Agreement comes from external funding, and that its compensation will

depend on whether OCH receives and continues to receive funding from its funders. As a result, subject to this Section, OCH disclaims and makes no assurances or guarantees that (1) these funds will be available to OCH or (2) the Grantee will be guaranteed full compensation.

c) **Unspent Funds.** If the Grant funds are not fully expended by Grantee in accordance with the Budget as set forth in Exhibit A, Grantee will disclose this to OCH. Due to the cost reimbursement nature of this contract, unspent funds will not be available for carry over and will go unallocated.

d) **Rights Of Recapture and Redistribution of Funds**. OCH may recapture and redistribute all or part of the Grant funds awarded or made available to Grantee. OCH may perform such a recapture under its own discretion, but will be required to consider a recapture and redistribution based on the following:
   i) Grantee does not complete tasks as set out in Exhibit B and Exhibit C; or
   ii) Grantee's performance actuals or expenditures do not meet targets or projections specified in Exhibit B and Exhibit C.

e) **Grant Award Contingency**. The Grantee acknowledges and understands that this Grant is contingent on funding received from the EDA and as such there are specific requirements that are required for the Grantee to receive the funds. This includes EDA approval of the Grantee; conforming with the requirements set forth in 2 CFR § 200.332(a), and compliance with the Uniform Administrative Requirements, Cost and Principles, and Audit Requirements for Federal Awards set forth in 2 CFR part 200. Grantee will not attempt to sell, trade, or convey any interest in any property which may have a EDA security interest. Grantee must also complete a Form CD-511, Certification regarding Lobbying. If the EDA determines that Grantee is ineligible for the Grant then this Agreement terminates and OCH is released from all liability.

2) ***Representations, Warranties, and Covenants.*** Grantee makes the following representations, warranties, and covenants:

a) **Generally.** Grantee is a transportation benefit area duly formed, validly existing, and in good standing in the state of its formation or incorporation with all government power, authority, and permits necessary to carry on its activities, including the Purpose of the Grant. The execution and performance of this Agreement have been duly authorized by all necessary action on the part of Grantee.

b) **Non-duplicative Efforts**. Grantee represents and warrants that the work Grantee is providing are not duplicative under any other federal programs.

c) **Grant Fund Restrictions.** The Purpose of the Grant is limited to the deliverables in Exhibit B and the Grantee warrants that the Grant will not be used in any manner that is not within the limited scope, unless approved otherwise by prior written consent of OCH.

d) **Conflict of Interest.** Grantee represents and warrants that it maintains a conflicts of interest policy that address at least any past, present or planned contractual, financial, or other relationships, obligations, commitments or responsibilities, which may bias the Grantee or affect the Grantee's ability to perform or administer the Grant in an impartial and objective manner. The policy must include: (i) standards of conduct covering conflicts of interest, (ii) governing actions of Grantee's employees engaged in the selection, award, or administration of contracts in accordance with 2

C.F.R. § 200.318(c), and (iii) address how to disclose, mitigate, and resolve any conflict of interests that may be present. If Grantee does not have a policy, they may adopt a Conflict of Interest Policy upon signing. A sample Conflict of Interest Policy is attached as Exhibit D, OCH makes no representations as to the Conflict of Interest Policy and advises the Grantee to have independent legal counsel review such policy to ensure the Conflict of Interest Policy complies with the requirements of this Grant.

e) **Performance.** Grantee represents and warrants that it has the required skill, experience, and qualifications to perform the services indicated in Exhibit A, Exhibit B, and Exhibit C; Grantee shall perform the work in a professional and workmanlike manner in accordance with best industry standards for similar services; and Grantee shall devote sufficient resources to ensure that the Services are performed in a timely and reliable manner;

f) **Lobbying Activity.** The parties acknowledge that OCH will not direct nor control Grantee's interactions with any government officials or employees. Grantee will not engage in any lobbying activity.

g) **Compliance with the Law.** Grantee complies with, and will continue to comply with, all applicable local, state, federal, and foreign laws, statutes, rules, and regulations, as amended from time to time.

h) **Restriction on Referral Fees.** Grantee will ensure that any contract that Grantee is a party to or that Grantee enters into in connection with this Grant will include prohibitions on the payment of referral fees, commissions or similar arrangements to any person or entity whatsoever.

i) **Subgrantees.** If budgeted for, Grantee may select subgrantees or subcontractors of its choice to assist Grantee in furtherance of the Purpose and as set forth in Exhibit A and Exhibit B. Any subcontractor selected must be approved by the Economic Development Authority prior to entering into any agreement to operate under this Agreement and be paid by the Grant. Grantee will maintain copies of any subcontractor agreement with the record keeping requirements of this Agreement. Grantee confirms that OCH has not required either in writing or orally that Grantee select any specific subcontractor. Grantee is responsible for ensuring that all subcontractor's use Grant funds solely in a manner that is consistent with this Agreement.

j) **Accurate Information.** All information relating to the Grant heretofore provided to OCH by Grantee or to be provided to OCH by Grantee during the Term (as defined below) has been, and for the duration of the Term (and for so long as any obligations pursuant to this Agreement remain outstanding) will at all times continue to be true, accurate and complete in all material respects.

k) **Ownership:** All works shall be the Grantee's original work (except for material in the public domain or provided by OCH) and do not nor will not violate or infringe upon the intellectual property right or any other right whatsoever of any person, firm, corporation, or other entity. The Grantee will receive written authorization from OCH prior to using any non-original material not provided by OCH.

3) ***Intellectual Property.***

a) **Ownership.** Grantee is the owner of any work or work product (i) arise or result from Grantee's direct or indirect use of the Grant; or (ii) are created by or for Grantee in furtherance of the Purpose (collectively, the "*Grant-Related Intellectual Property*"), which includes, but is not limited to: (1) any and all work product, source code, computer programs, applications, writings, other works of authorship, copyrights, inventions, designs, utility models, patents, trademarks, and trade secrets; (2) applications or derivatives of or related to any of the foregoing; and (3) any other intellectual property rights.

b) **License**. Grantee grants OCH and EDA a non-exclusive, perpetual, worldwide, transferable, sub-licensable, royalty-free license (the "*License*") to "*Grant-Related Intellectual Property*. The License includes at least the following rights:
   (i) to make or have made, use, import, or provide any service, product, method, or apparatus, covered by the Grant-Related Intellectual Property;
   (ii) to reproduce, prepare derivative works of, make improvements to, perform, display, and distribute any work, process, or service, covered by the Grant-Related Intellectual Property; and
   (iii) to sublicense the Grant-Related Intellectual Property to third-parties either for use by any such third party solely to support OCH's use of the Grant-Related Intellectual Property, or for use by any such third party.

c) **Use of Artificial Intelligence for Training.** Grantee shall not use any data provided by OCH to train any artificial intelligence or machine learning engine or system, neural network, or similar system except as expressly permitted by OCH in writing and such written consent may be withheld by OCH in its sole discretion.

d) **Use of Artificial Intelligence to create Works**. Grantee will not use any artificial intelligence in the creation of works under this Agreement or any SOW.

4) ***Records.*** Grantee will maintain and preserve, as applicable:

a) **Maintenance**. Accurate and complete records of receipts and expenditures made from Grant funds; and

b) **Archival Requirements**. All back-up files, papers, software code, instructions, specifications, materials, and documentation relating to, comprising, constituting, and/or necessary for the use of this Agreement during the Term and for six (6) years thereafter. Upon the request of OCH or a governmental entity, Grantee shall make such records available for inspection by OCH, the governmental entity, or any representatives during normal business hours, and Grantee shall cooperate and assist with the review of such records. This provision survives termination. In the event of termination of this Agreement, OCH may, in writing, request that Grantee provide OCH with such records or access to such records, and Grantee will provide all such materials to OCH or access to such materials within ten (10) business days of OCH's written request.

5) ***Reporting and Information.***

a) **Reporting.** Grantee will promptly provide OCH with the grant reporting described in Exhibit B. Any report will include at least the following:

(i) a confirmation that the Grant funds have been spent exclusively toward the Purpose in accordance with the budget and scope of work and have not been used to carry on propaganda, influence legislation, fund any political campaign, influence the outcome of any election, carry on any voter registration drives, violate any applicable local, state, federal, or foreign law, or used to undertake any activities for a non-charitable purpose;

(ii) a narrative of what was accomplished by the use of such funds during the reporting period (including a description of progress made in fulfilling the Purpose of the Grant) as well as any supporting documentation; and

(iii) a confirmation of Grantee's compliance with the terms of this Agreement. Grantee shall also inform OCH of any material change in its operating budget and expenses. Grantee also agrees to provide OCH with a copy of all materials developed or published using the Grant. Moreover, the Grant Reports shall include any other information requested by OCH reasonably in advance of the due date of the relevant Grant Report.

b) **Required Notifications.** Grantee will:

i) immediately furnish OCH with any information concerning a threatened, proposed, or actual change in Grantee's status as a Qualifying Grantee; or

ii) provide OCH prompt written notice:

(1) if any of the events in Section 7 (Termination) of this Agreement occurs,

(2) of each and every event which, at the giving of notice or lapse of time, could reasonably be expected to constitute an event described in Section 7 (Termination) of this Agreement, or

(3) if any civil or criminal complaint, demand, claim, investigation, or adversarial proceeding is asserted or threatened against Grantee, any other entity engaged in the Purpose, or any of their respective employees, contractors, or subgrantees.

6) ***Confidentiality.*** The Grantee acknowledges that as part of the work performed under this Agreement, it will have access to confidential and proprietary information. Such information includes, but is not limited to, personal information of OCH clients, participants in OCH programs, intellectual property of OCH, and any reports, information, and data given to or prepared or assembled by the Grantee under this Agreement (collectively referred to as "*Confidential Information*"). The Grantee agrees that it will keep all Confidential Information confidential and that the Confidential Information shall not be made available to any individual or organization by the Grantee without prior written approval of OCH, a court order, or proper legal process. The Grantee also agrees to comply with all laws regarding the storage, transmission and maintenance of Confidential Information, including but not limited to the Americans with Disabilities Act and the Health Insurance Portability and Accountability Act. The Grantees obligations under this provision shall survive the termination of this Agreement.

7) ***Term.*** The term of this Agreement will commence as of July 1, 2025 (the "*Effective Date*") and will expire September 30, 2029 unless terminated earlier as provided herein (the "*Term*"). Notwithstanding the foregoing, Grantee shall adhere to the Grant budget set forth in Exhibit A.

8) ***Termination.***

a) ***Termination.*** This Agreement may be terminated by OCH if any of the following has occurred, it being understood and agreed that the determination of whether any such condition or event has occurred will be made by OCH in its sole discretion:

i) Any of the warranties or representations made by Grantee in this Agreement is or becomes untrue in any respect;

ii) Grantee uses any portion of the Grant for any purpose other than the Purpose without the prior written consent of OCH;

iii) Grantee, or any representative thereof, has materially misrepresented to OCH its activities or financial condition;

iv) Grantee fails to comply with any of the provisions of this Agreement including, but not limited to, the Budget and Milestones/Deliverables in Exhibit A and Exhibit B, respectively;

v) The source of funds that is supporting OCH is no longer present.

vi) Grantee fails to maintain the requisite insurance as provided in Section 9 (Insurance)

b) **Effect of Termination**. The effective date of OCH's termination of this Agreement (the "*Termination Effective Date*") shall be determined by OCH as either (a) the date notice is given by OCH to Grantee of the termination, or (b) the date on which the event triggering the right of termination occurred. The Grantee will still be required to maintain the reporting for the period through termination and after.

c) **Payment Obligation; Return of Funds.** In the event that OCH terminates this Agreement pursuant to the terms hereunder, OCH shall be liable only for payment in accordance with the terms of this Agreement for services rendered prior to the Termination Effective Date.

9) **Insurance.** Grantee must provide insurance coverage as set out in this section. The intent of the required insurance is to protect OCH should there be any claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of Grantee or subcontractor, or agents of either, while performing under the terms of this Agreement. Grantee must provide insurance coverage that is maintained in full force and effect during the term of this Agreement. The Grantee must provide proof of the following:

a) **Commercial general liability insurance**: Provide a Commercial General Liability Insurance Policy, including contractual liability, in adequate quantity to protect against legal liability arising out of contract activity but no less than $1,000,000 per occurrence/$2,000,000 general aggregate. Additionally, Grantee is responsible for ensuring that any subcontractor maintains adequate insurance coverage for the activities arising out of subcontracts.

b) **Professional liability errors and omissions insurance**: Provide a policy with coverage of not less than $1,000,000 per claim/$2,000,000 general aggregate.

c) **Business automobile liability insurance**: In the event that services delivered pursuant to this Agreement involve the use of vehicles, either owned, hired, or non-owned by the Grantee, automobile liability insurance is required covering the risks of bodily injury (including death) and property damage, including coverage for contractual liability. The minimum limit for automobile liability is $1,000,000 per occurrence, using a combined single limit for bodily injury and property damage.

d) **Insurance requirements**. The commercial general liability and the business automobile liability policies must name EDA,OCH, its agents and employees, as additional insureds under the insurance policy/ies. All policies must be primary to any other valid and collectable insurance. In

the event of cancellation, non-renewal, revocation or other termination of any insurance coverage required by this Agreement, Grantee must provide written notice of such to OCH within one (1) Business Day of Grantee's receipt of such notice. Failure to buy and maintain the required insurance may, at OCH's sole option, result in this Agreement's termination.

10) ***Indemnity and Liability.***

a) **Indemnity**. Grantee shall indemnify, defend and hold harmless OCH, and its officers, directors, founders, managers, employees, and agents and each of their affiliates (collectively, the "*Indemnified Parties*"), from and against, any liability, damage, loss or expense (including reasonable attorneys' fees and expenses of litigation) incurred or imposed upon the Indemnified Parties in connection with any claims, suits, actions, demands or judgments, arising out of or related to (a) any act or omission of Grantee, its employees or agents in applying for or accepting the Grant; (b) the expending of Grant funds furnished pursuant to this Agreement; or (c) the carrying out of any programs or projects funded by the Grant. OCH shall not be liable for any losses, damages, claims or other liabilities arising out of Grantee's activities. It is expressly understood that OCH, by making the Grant and entering into this Agreement, has no obligation to provide other or additional support to Grantee.

b) **Liability**. OCH will not be liable to Grantee, regardless of the form of action, for consequential, incidental, indirect, or special damages except any claim related to bodily injury or death; a breach of confidentiality or cybersecurity; or a claim or demand based on patent, copyright, or other intellectual property right infringement. OCH will not be liable for damages arising from causes beyond their reasonable control and without that party's own fault or negligence.

11) ***Force Majeure.*** In the event of a delay caused by inclement weather, fire, flood, act of God, terrorist act, earthquake, health crisis, governmental regulations, or any other cause beyond the control of the Parties, the Party or Parties so affected shall be excused from performance hereunder for the period of time attributable to such delay, provided that such affected Party uses reasonable efforts to overcome such delay. In the event of any such delay, the Parties may revise this Agreement by changing the performance period and other provisions, as appropriate by mutual written agreement, or if an event of force majeure continues for 30 days or is reasonably anticipated to continue for 30 days, the disadvantaged Party may terminate this Agreement upon 5 business days' notice unless the event is resolved within such notice period.

12) ***Grant Publicity.***

a) **Automatically Allowable uses**. Grantee may include the name and logo of OCH in a general list of Grantee's supporters without prior permission, provided that Grantee treats OCH in the same manner that it treats its other similarly situated donors and supporters and provided further that Grantee complies with the terms of OCH's trademark usage guidelines as provided by OCH from time to time. Grantee may disclose the Grant as required by required by law or regulation, provided that Grantee provides OCH with at least three (3) business days' advance notice of any such disclosure and agrees to cooperate with OCH to revise such disclosure as reasonably requested by OCH.

b) **Permissive uses**. Except as otherwise set forth above, if Grantee desires to use the name or logo

of the name of OCH, or link to OCH, directly or indirectly (*i.e.*, speaking events, press interviews, press release, professional or trade publication, website, advertisement, or other public document or announcement), Grantee shall obtain **prior written consent** from OCH for such use, reference, or link. Grantee shall seek such consent at least three (3) business days in advance of Grantee's proposed publicity, and shall provide the Grant ID, content to be approved, as well as the timing and outreach strategy. Grantee shall send all such information to och@olympicch.org and shall designate a Grantee point of contact with email address and telephone number for such request and future requests.

c) **Grantee's rights.** Notwithstanding the foregoing, the Parties recognize that this Section does not affect Grantee's rights to publish any materials or research funded with this Grant or to release public statements or information about activities or research funded with this Grant to the extent such materials, research, statements, or information do not mention the Grant, this Agreement, or OCH.

13) ***Governing Law and Venue.*** This Agreement shall be governed by the laws of the State of Washington, and shall be performable and enforceable in Jefferson County, Washington. The sole and exclusive jurisdiction for any dispute arising under or related to this Agreement shall be in the state district courts of Jefferson County, Washington, and Grantee irrevocably submits in advance to personal jurisdiction in the state superior courts of Jefferson County, Washington. EACH PARTY TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

14) ***Disputes.*** Except as otherwise provided in this Agreement, when a dispute arises and cannot be resolved by direct negotiation, the Parties agree to participate in good faith non-binding mediation in good faith. The mediator shall be chosen by agreement of the Parties. If the parties cannot agree on a mediator, then OCH shall propose three mediators for the dispute, the Grantee shall then select one of the mediators from that list within a reasonable time. Nothing in this Agreement shall be construed to limit the Parties' choice of a mutually acceptable alternative resolution method such as a disputes hearing. The cost of the mediation will be borne by each party individually, with the cost for the mediation split equally, unless agreed to differently in mediation.

15) ***Waiver.*** Any waiver of any kind by either party of a breach of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach. Either party's delay or omission in exercising any right, power, or remedy pursuant to a breach or default by the other party shall not impair any right, power, or remedy which that party may have.

16) ***Severability.*** If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, such provision shall be ineffective only to the extent of such illegality or unenforceability. The remainder of this Agreement shall remain in full force and effect, and the parties shall amend or otherwise modify this Agreement to replace the affected provision or portion thereof with an effective and valid provision that gives effect to the intent of the parties to the maximum extent possible.

17) ***Assignment.*** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors, assigns, heirs and legatees; *provided, however,* Grantee cannot

assign, or otherwise transfer, its rights or delegate any of its obligations, without the prior written consent of OCH, which consent OCH may withhold, condition or delay in its sole discretion.

18) ***No Third Party Rights.*** Except for the Indemnified Parties as set forth in Section 10 (Indemnity and Liability) of this Agreement, it is the explicit intention of the parties that no person or entity other than the parties is or shall be entitled to bring any action to enforce any provision of this Agreement and that the covenants and agreements set forth herein shall be solely for the benefit of and enforceable only by the parties or their respective successors and assigns as permitted hereunder.

19) ***Remedies.*** The rights and remedies provided in this Agreement are cumulative in nature and shall be in addition to any such other rights and remedies available at law or in equity. Grantee acknowledges and agrees that there can be no adequate remedy at law for any breach by Grantee of this Agreement, that any such breach may result in irreparable harm to OCH for which monetary damages would be inadequate to compensate OCH, and that OCH shall have the right, in addition to any other rights available under applicable law, to obtain injunctive relief to restrain any breach or threatened breach of, or otherwise to specifically enforce, any covenant or obligation of Grantee under this Agreement, without the necessity of posting any bond or security.

20) ***Independent Parties.*** This Agreement shall not be deemed to create any relationship of agency, partnership, or joint venture between the parties hereto. The sole relationship between the Grantee and OCH hereunder is that of an independent contractor. Grantee acknowledges and agrees that it will conduct all activities funded by the Grant in its own name and that Grantee's employees and agents are not, and will not hold themselves out to be, agents or representatives of OCH for any purpose.

21) ***Tax Returns.*** All tax returns or filings by the Grantee with any governmental authority shall be prepared in accordance with the terms of this Agreement, including that Grantee compensation has been received by it as an independent contractor and not as an employee of the OCH.

22) ***Survival.*** The provisions of Section 2 (Representations, Warranties, and Covenants), Section 3 (Intellectual Property), Section 4 (Records), Section 6, (Confidentiality), Section 10 (Indemnity and Liability), Section 13 Governing Law and Venue), and Section 14 (Disputes) shall survive any expiration or termination of this Agreement, further, each Party shall remain obligated under any other provisions that expressly or by their nature survive any expiration or termination of this Agreement.

23) ***Grantee and Grantor Contract Managers.*** Grantee's Contract Manager will have prime responsibility and final authority for the work performed provided under this Contract and be the principal point of contact for OCH Contract Manager for all business matters, performance matters, and administrative activities. OCH's Contract Manager is responsible for monitoring the Grantee's performance and will be the contact person for all communications regarding Contract performance and deliverables. OCH Contract Manager has the authority to reject any services that OCH Contract Manager reasonably determines do not comply with the terms of the Contact. The contact information provided below may be changed by written notice of the change (email acceptable) to the other party.

GRANTEE CONTRACT MANAGER INFORMATION
Name: Jim Fetzer

Title: General Manager
Address: 830 West Lauridsen Boulevard, Port Angeles, Washington 98363
Phone: 360.417.1350
Email: jimf@clallamtransit.com

OCH CONTRACT MANAGER INFORMATION
Name: Jessica Peterson
Title: Program Manager
Address: 1322 Washington St., #641, Port Townsend, WA 98368
Phone: 360.316.6936
Email: Jessica@olympicch.org

24) ***Multiple Counterparts.*** This Agreement may be signed in multiple counterparts, which may be signed by the parties separately, but together shall constitute a single agreement.

25) ***Entire Agreement.*** This Agreement supersedes any prior oral or written understanding or communications between the parties or any representative thereof and constitutes the entire agreement of the parties with respect to the subject matter hereto. This Agreement may not be amended or modified, nor any of its provisions waived, except in a written document (which may include electronic mail) signed by an authorized representative of Grantee and OCH Grants Manager or other authorized representative. All exhibits hereto constitute part of this Agreement and are expressly incorporated herein.

[*Signature Page to Follow*]

We look forward to our Grant assisting your organization in accomplishing its mission and charitable goals.

Sincerely,

Olympic Community of Health

By:_____
Name: Celeste Schoenthaler
Title: Executive Director

Date: _____

ACCEPTED AND AGREED: Clallam

County Public Transportation Benefit

Area

Grantee

By: _____ Name: _____

Title: _____ Date: _____

EXHIBIT A
BUDGET

1. **Commencement Date**. All Grant spending will commence on the Effective Date, July 1, 2025.
2. **End Date.** All Grant spending will be concluded by no later than September 30, 2029.
3. **Use of Grant Funds.** The Grant will be used exclusively for and directly related to the Purpose/deliverables, are included in the Budget below, and are in strict compliance with the terms of this Agreement. The Grantee will provide a full, detailed accounting of expenditures of grant funding.
4. **Re-Budgeting.** Re-budgeting across Budget line items or between Budget periods is allowed, except where such re-budgeting results from a change in the Purpose of the Grant. Notwithstanding the foregoing, however, Grantee must seek OCH's approval for any re-budgeting above 10% for any given Budget line item or for any re-budgeting between Budget periods.
5. **Material Changes.** Grantee must inform OCH of any material change in its operating budget and expenses, including but not limited to material variations in executive compensation.

Cost Categories/Budget Line Items/Expense Justification	BUDGET *(for 07/01/25-12/31/25)*
PERSONNEL	
None	$ -
Base Salaries Total	$ -
Fringe Benefits & Payroll Taxes *(0%)*	
Total Personnel Expenses (Base + Fringe)	$ -
OTHER DIRECT EXPENSES	
Supplies: *None*	$ -
Participant Support Costs: Rideshare rates are based on the vehicles daily mileage, then by rider. If 126-150 miles per day, fare per rider is $150, if 101-125 miles, fare per rider is $125, if 76-100 miles per day, fare per rider is $100, if 51-75 miles per day, fare is $75, if 1-50 miles per day, fare per rider is $50.	$135,000
Other: *None*	$ -
Other Direct Expenses Total	**$ 135,000.00**
Modified Total Direct Costs	**$ -**
INDIRECT COSTS *(@ 15% de minmus)*	$ -
Total Direct & Indirect Costs	**$ 135,000.00**

EXHIBIT B
REPORTING SCHEDULE

Project Report Requirements

All deliverables and reports will be completed by Grantee as soon as practicable.

The **annual project report** shall provide the following:

1. a narrative of what was accomplished by the use of such funds during the reporting period (including a description of progress made in fulfilling the Purpose of the Grant and deliverables completed) as well as any supporting documentation (the "Grant Report");
2. a confirmation that the Grant funds have been spent exclusively toward the purpose/deliverables in accordance with the budget and scope of work and have not been used in any way that is not charitable as defined by the Code (defined in the Grant Agreement), such as to carry on propaganda, influence legislation, fund any political campaign, influence the outcome of any election, carry on any voter registration drives, or violate any applicable local, state, federal, or foreign law; and
3. a confirmation of Grantee's compliance with the terms of the Grant Agreement. Grantee shall also inform OCH of any material change in its operating budget and expenses. Grantee also agrees to provide OCH with a copy of all materials developed or published using the Grant. Moreover, the Grant Reports shall include any other information requested by OCH reasonably in advance of the due date of the relevant Grant Report.

Quarterly progress reports shall provide the following:
Once every 3 months, Grantee will complete and deliver Progress Reports outlining the following information (not to exceed 3 pages). Reports must be submitted to OCH in a manner approved by OCH:

a. A clear, concise overview of the activities undertaken during the reporting period;

b. Descriptions of accomplishments, benefits, and impacts of the Project and activities. These may include job training/placements and job creation/retention (including the nature and quality of those jobs); progress towards completion of community commitments (e.g., private, philanthropic, public, others) or new commitments; local and coalition governance and collaboration; engagement with historically excluded groups or places; innovative policies or activities discovered through project implementation; changes in the community's capacity to address economic distress; and others;

c. A comparison of Project progress with the Project timeline provided in the SOW and a report on anticipated goals (i.e., outcomes) and the associated outputs specified in the approved Project Narrative (including milestone- and outcome-specific progress and completion). For outcomes, please provide explanations of any departures from the targeted schedule and how these departures will be remedied. Please preview the course of work for the next period (i.e., what activities and outcomes will be achieved);

d. An update on commitments to support the Project, including any new or updated commitments;

e. Upcoming or potential press events or opportunities for collaborative press events to highlight Project activities and benefits;

f. An outline of challenges that currently impact or could impact progress on the Project or its objectives over the next reporting period and means of mitigating this risk. Please include areas where OCH assistance is needed to support the Project; and

g. Any other key information that would be helpful to OCH or the Economic Development Administration.

Quarterly Progress Timeline:

Year	Project Performance Reporting Periods	Semiannual Progress Report Due Dates	OCH will send Report Templates via Email
1			
	04/01/2025-09/30/2025	10/06/2025 (Mon)	09/04/2025 (Thurs)
2	10/01/2025-03/31/2026	04/06/2026 (Mon)	03/05/2026 (Thurs)
	04/01/2026-09/30/2026	10/06/2026 (Tue)	09/03/2026 (Thurs)
3	10/01/2026-03/31/2027	04/06/2027 (Tue)	03/04/2027 (Thurs)
	04/01/2027-09/30/2027	10/06/2027 (Wed)	09/02/2027 (Thurs)
4	10/01/2027-03/31/2028	04/06/2028 (Thurs)	03/02/2028 (Thurs)
	04/01/2028-09/30/2028	10/05/2028 (Thurs)	09/01/2028 (Fri)
5	10/01/2028-03/31/2029	04/05/2029 (Thurs)	03/01/2029 (Thurs)
	04/01/2029-09/30/2029	10/04/2029 (Thurs)	09/04/2029 (Tues)

Project Performance Monitoring: In addition to annual and quarterly progress reports, Grantee must partake in routine performance monitoring with OCH. Additional monitoring may be required based on Grantee performance.

Monitoring Element	Cadence
1. Monthly meetings with OCH project staff to discuss progress, barriers, requests for assistance.	Monthly through funding period.
2. Quarterly in-person meetings with OCH project staff.	To replace monthly meeting on a quarterly basis.

EXHIBIT C
SCOPE OF WORK

Period of Performance: July 1, 2025 – September 30, 2029

Summary: The goal of this project is to create and implement a Vanpool/Rideshare voucher program for eligible clients of Olympic Connect, specifically targeting the Prime Age Employment Group (PAEG), defined as individuals aged 25-54 who are seeking a full-time job with a minimum wage of $26 per hour, as per the Economic Development Authority. See the Additional Notes section for program specific information.

Milestone	Output/Deliverable	Approximate Start and End Date
1. Establish or update an internal system for vanpool vouchers.	Organized system demonstrating compliance with grant purpose, proper management of funds, and ease of community use.	July 2025 (ongoing improvement as needed)
2. Coordinate with Olympic Community of Health	Integration of the Vanpool/Rideshare voucher program within the Olympic Connect client management system.	July 2025
3. Develop outreach materials with Olympic Community of Health	Clear, simple, and helpful outreach materials for the program and voucher distribution process for eligible community members.	July 2025
4. Provide vouchers (up to 6 months) to eligible community members	New community resource for eligible participants, offering vouchers for up to 6 months of Vanpool/Rideshare use.	July 2025-September 2029 (or until funds run out)
5. Track voucher use	System to track voucher usage, including miles traveled, number of trips, and program metrics, ensuring proper management of funds.	July 2025-September 2029 (or until funds run out)

Additional Notes:

- **Vanpool/Rideshare Eligibility:** To start a Vanpool/Rideshare group three (3) daily commuters are required in a vehicle at any given time. A minimum of two drivers and a coordinator within the group are required to start a group. Drivers of the group are required to complete a safe driving course, pass a background check, maintain a clean driving record, and consent to ongoing driving record monitoring. Participants in the program must agree to all terms and conditions set forth by Clallam Transit System.
- **Voucher Eligibility:** Vouchers will be distributed to community members aged 25-54 who are actively seeking employment with wages of at least $26 per hour. The Recompete Program will reimburse the applicable agency for the cost of the client utilizing the rideshare, based on the agencies current rideshare participants rates.
- **Tracking and Reporting**: A system will be established to monitor and report on the usage of the vouchers, including data on the number of trips and miles traveled to ensure transparency and accountability.
- **Collaboration**: The project will require ongoing collaboration with the Olympic Community of Health and other regional partners involved in the Recompete initiative to ensure that the voucher program meets community needs and supports broader regional goals.

- **Agency Participation:** In the event that resources are no longer available Clallam Transit may suspend its vanpool program. Clallam Transit would make every effort to honor existing commitments before suspending its program.
- **Program Continuation and Termination Clause:** The Recompete Vanpool/Rideshare Voucher Program is contingent upon sufficient participant interest and available funding. If participation does not meet the minimum threshold necessary for operational viability, Clallam Transit reserves the right to suspend or discontinue the program without penalty. However, the program framework may remain in place, allowing for future reactivation should interest and funding levels support its continuation. Any decision to suspend, modify, or reinstate the program will be at the sole discretion of Clallam Transit in alignment with its strategic transportation goals and funding availability.

DEPARTMENT OF COMMERCE
FINANCIAL ASSISTANCE
GENERAL TERMS AND CONDITIONS

01 October 2024

DEPARTMENT OF COMMERCE
FINANCIAL ASSISTANCE GENERAL TERMS AND CONDITIONS

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PREFACE

This document sets out the general terms and conditions (GT&Cs) applicable to this U.S. Department of Commerce (DOC or Commerce) financial assistance award (hereinafter referred to as the DOC GT&Cs or General Terms). A recipient[1] receiving a DOC financial assistance award must, in addition to the assurances made as part of the application, comply and require each of its subrecipients, contractors, and subcontractors employed in the completion of the project to comply with all applicable statutes, regulations, executive orders (E.O.s), Office of Management and Budget (OMB) Circulars, provisions of the OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (codified at 2 Code of Federal Regulations (CFR) Part 200) (OMB Uniform Guidance), provisions of these General Terms, and any other terms and conditions incorporated into this DOC financial assistance award. In addition, unless otherwise provided by the terms and conditions of this DOC financial assistance award, Subparts A through E of 2 CFR Part 200 and the General Terms are applicable to for-profit entities, foreign public entities and to foreign organizations that carry out a DOC financial assistance award.[2]

This award is subject to the laws and regulations of the United States. Any inconsistency or conflict in terms and conditions specified in the award will be resolved according to the following order of precedence: Federal laws and regulations, applicable notices published in the *Federal Register*, E.O.s, OMB circulars, DOC GT&Cs, agency standard award conditions (if any), and specific award conditions. A specific award condition may amend or take precedence over a General Term on a case-by-case basis, when indicated by the specific award condition.

Some of the general terms herein contain, by reference or substance, a summary of the pertinent statutes, regulations published in the *Federal Register* or CFR, E.O.s, OMB circulars, or the certifications and assurances provided by applicants through Standard Forms (*e.g.*, SF-424s) or through DOC forms (*e.g.* Form CD-511). To the extent that it is a summary, such general term provision is not in derogation of, or an amendment to, any such statute, regulation, E.O., OMB Circular, certification, or assurance.

DOC commenced implementation of the Research Terms and Conditions (RT&Cs) for Federal

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[1]These DOC GT&Cs apply to recipients rather than subrecipients, or vice versa. These DOC GT&Cs use the terms "pass-through entity", "non-Federal entity," "recipient," and "subrecipient" consistent with their meanings in the OMB Uniform Guidance. In addition, the OMB Uniform Guidance uses the term "pass-through entity" to refer to a non-Federal entity that makes a subaward. As defined at 2 CFR § 200.1:
"Non-Federal entity" is "a State, local government, Indian Tribe, Institution of Higher Education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient."
"Recipient" is "an entity that receives a Federal award directly from a Federal agency to carry out an activity under a Federal program. The term recipient does not include subrecipients or individuals that are participants or beneficiaries of the award."
"Subrecipient" is "an entity that receives a subaward from a pass-through entity to carry out part of a Federal award. The term subrecipient does not include a beneficiary or participant. A subrecipient may also be a recipient of other Federal awards directly from a Federal agency."
"Pass-through entity" is "a recipient or subrecipient that provides a subaward to a subrecipient (including lower tier subrecipients) to carry out part of a Federal program. The authority of the pass-through entity under this part flows through the subaward between the pass-through entity and subrecipient"

[2] *See* 2 CFR § 200.1 for the definitions of "foreign public entity" and "foreign organization."

awards effective October 1, 2017; the RT&Cs address and implement the Uniform Guidance issued by OMB. For awards designated on the Notice of Award (NOA) as Research, both the DOC GT&Cs and the RT&Cs as implemented by DOC apply to the award. The RT&Cs as well as the DOC implementation statement, agency specific requirements, prior approval matrix, subaward requirements, and national policy requirements are posted on the National Science Foundation's website – https://www.nsf.gov/awards/managing/rtc.jsp. The DOC GT&Cs and the RT&Cs are generally intended to harmonize with each other; however, where the DOC GT&Cs and the RT&Cs differ in a Research award, the RT&Cs prevail, unless otherwise indicated in a specific award condition.

A. PROGRAMMATIC REQUIREMENTS

.01 Reporting Requirements

a. Recipients must submit all reports as required by DOC, electronically or, if unable to submit electronically, in hard copy, as outlined below and as may be supplemented by the terms and conditions of a specific DOC award.

b. Performance (Technical) Reports. Recipients must submit performance (technical) reports to the Program Officer. Performance (technical) reports should be submitted in the same frequency as the Form SF-425 (Federal Financial Report), unless otherwise directed by the Grants Officer.

1. Performance (technical) reports must contain the information prescribed in 2 CFR § 200.329 (Monitoring and reporting program performance), unless otherwise specified in the award conditions.

2. As appropriate and in accordance with the format provided by the Program Officer (or other OMB-approved information collections, including the Research Program Performance Report [RPPR] as adopted by DOC for use in research awards), recipients are required to relate financial data to the performance accomplishments of this Federal award. When applicable, recipients must also provide cost information to demonstrate cost effective practices (e.g., through unit cost data). The recipient's performance will be measured in a way that will help DOC to improve program outcomes, share lessons learned, and spread the adoption of best or promising practices. As described in 2 CFR § 200.211 (Information contained in a Federal award), DOC will identify the timing and scope of expected performance by the recipient as related to the outcomes intended to be achieved by the Federal program.

3. Recipients (or pass-through entities as applicable) must submit a final performance report within 120 calendar days after the expiration of the period of performance. The subrecipient is required to submit its final performance report to the pass-through entity within 90 calendar days unless an extension has been granted.

c. Financial Reports. In accordance with 2 CFR § 200.328 (Financial reporting), the recipient must submit a Form SF-425 (Federal Financial Report) or any successor form on a

semi-annual basis for the periods ending March 31 and September 30, or any portion thereof, unless otherwise specified in a specific award condition. Reports must be submitted to DOC as directed by the Grants Officer, in accordance with the award conditions and are due no later than 30 calendar days following the end of each reporting period. Recipients (or pass-through entities as applicable) must submit a final Form SF-425 within 120 calendar days after the expiration of the period of performance. The subrecipient is required to submit its financial report to the pass-through entity within 90 calendar days unless an extension has been granted. A recipient may submit a final financial report in lieu of an interim financial report due at the end of the period of performance (*e.g.*, in lieu of submitting a financial report for the last semi-annual or other reporting under an award, a recipient may submit a final (cumulative) financial report covering the entire award period).

d. Real Property, Tangible Personal Property and Intangible Property Reports and Requests for Dispositions. Unless otherwise required by the terms and conditions of a DOC financial assistance award, where real property, tangible personal property or intangible property is acquired or improved (in the case of real property or tangible personal property), or produced or acquired (in the case of intangible property), pursuant to a DOC award, recipients or subrecipients are required to submit the following real property, tangible personal property and intangible property reports (as appropriate):

1. Real Property Status Reports and Requests for Dispositions: Recipients or subrecipients must submit reports using Form SF-429 (Real Property Status Report) or any successor form, including appropriate attachments thereto, at least annually disclosing the status of real property that is Federally-owned property or real property in which the Federal Government retains a Federal Interest, unless the Federal Interest in the real property extends 15 years or longer. In cases where the Federal Interest attached is for a period of 15 years or more, DOC or pass-through entity, at its option, may require the recipient or subrecipient to report at various multi-year frequencies (e.g., every two years or every three years, not to exceed a five-year reporting period; or, DOC or pass-through entity may require annual reporting for the first three years of a Federal award and thereafter require reporting every five years). In addition, DOC or a pass-through entity may require a recipient or subrecipient to submit Form SF-429, with appropriate attachments, relating to a recipient's or subrecipient's request to acquire, improve or contribute real property under a DOC financial assistance award. Recipients or subrecipients wishing to dispose of real property acquired or improved, in whole or in part, pursuant to a DOC award must request disposition instructions, including the submission of Form SF-429, with appropriate attachments, from the Grants Officer in accordance with the requirements set forth in 2 CFR § 200.311(d). *See also* the real property standards set forth in Section C. Property Standards of these terms.

2. Tangible Personal Property Status Reports and Requests for Dispositions: DOC or a pass-through entity may also require a recipient or subrecipient to submit periodic reports using Form SF-428 (Tangible Personal Property Report) or any successor form, including appropriate attachments thereto, concerning tangible personal property that is Federally-owned or tangible personal property in which the Federal Government retains an interest. In addition, DOC or a pass-through entity may require a recipient or subrecipient to submit Form SF-428 in connection with a recipient's or subrecipient's request to dispose of tangible

personal property acquired under a DOC financial assistance award. Recipients or subrecipients wishing to dispose of tangible personal property acquired or improved, in whole or in part, pursuant to a DOC award must request disposition instructions, including the submission of Form SF-428, with appropriate attachments, from the Grants Officer in accordance with the requirements set forth in 2 CFR § 200.313(e). *See also* the tangible property standards set forth in Section C. Property Standards of these terms.

3. Intangible Property Status Reports and Requests for Dispositions: The specific requirements governing the development, reporting, and disposition of rights to intangible property, including inventions and patents resulting from DOC awards, are set forth in 37 CFR Part 401, which is hereby incorporated by reference into this award. Recipients or subrecipients are required to submit their disclosures, elections, and requests for waiver from any requirement for substantial U.S. manufacture, electronically using the Interagency Edison extramural invention reporting system (iEdison) at www.iedison.gov. Recipients or subrecipients may obtain a waiver of this electronic submission requirement by providing to the Grants Officer compelling reasons for allowing the submission of paper reports. When no longer needed for the originally authorized purpose, disposition of the intangible property must occur in accordance with the provisions in 2 CFR § 200.313(e). *See also* the intangible property standards set forth in Section C. Property Standards of these terms.

e. Subawards and Executive Compensation Reports. For reporting requirements on subawards and Executive Compensation, see paragraph G.05.o of these General Terms (The Federal Funding Accountability and Transparency Act (FFATA) (31 U.S.C. § 6101 note)).

f. Recipient Integrity and Performance Matters. For reporting requirements pertaining to integrity and performance matters, see paragraph G.05.p of these General Terms (Recipient Integrity and Performance Matters (Appendix XII to 2 CFR Part 200)).

g. Research Performance Progress Reports. All research awards shall submit the Research Performance Progress Report (RPPR) in accordance with instructions set forth in the following link: RPPR Instructions.

.02 Revisions of Program Plans

In accordance with 2 CFR § 200.308 (Revision of budget and program plans) and 2 CFR § 200.407 (Prior written approval (prior approval)), the recipient or subrecipient must obtain prior written approval from the DOC Grants Officer for certain proposed programmatic change requests, unless otherwise provided by the terms and conditions of a DOC award. Requests for prior approval for changes to program plans must be submitted to the Federal Program Officer. Requests requiring prior DOC approval are not effective unless and until approved in writing by the DOC Grants Officer.

.03 Other Federal Awards with Similar Programmatic Activities

The recipient must immediately provide written notification to the DOC Program Officer and the DOC Grants Officer if, subsequent to receipt of the DOC award, other financial assistance is

received to support or fund any portion of the scope of work incorporated into the DOC award. DOC will not pay for costs that are funded by other sources.

.04 Prohibition against Assignment by a Recipient or Subrecipient

A recipient or subrecipient must not transfer, pledge, mortgage, assign, encumber or hypothecate a DOC financial assistance award or subaward, or any rights to, interests therein or claims arising thereunder, to any party or parties, including but not limited to banks, trust companies, other financing or financial institutions, or any other public or private organizations or individuals without the express prior written approval of the DOC Grants Officer or the pass-through entity (which, in turn, may need to obtain prior approval from the DOC Grants Officer).

.05 Disclaimer Provisions

a. The United States expressly disclaims all responsibility or liability to the recipient, subrecipient, or third persons (including but not limited to contractors) for the actions of the recipient, subrecipient, or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this award or any subaward, contract, or subcontract under this award.

b. The acceptance of this award or any subaward by the recipient or subrecipient does not in any way constitute an agency relationship between the United States and the recipient or subrecipient or the recipient's or subrecipient's contractors or subcontractors.

.06 Unsatisfactory Performance or Non-Compliance with Award Provisions

a. Failure to perform the work in accordance with the terms of the award and maintain satisfactory performance as determined by DOC may result in the imposition of additional award conditions pursuant to 2 CFR § 200.208 (Specific conditions) or other appropriate enforcement action as specified in 2 CFR § 200.339 (Remedies for noncompliance).

b. Failure to comply with the provisions of an award will be considered grounds for appropriate enforcement action pursuant to 2 CFR § 200.339 (Remedies for noncompliance), including but not limited to: the imposition of additional award conditions in accordance with 2 CFR § 200.208 (Specific conditions); temporarily withholding award payments pending the correction of the deficiency; changing the payment method to reimbursement only; the disallowance of award costs and the establishment of an accounts receivable; wholly or partially suspending or terminating an award; initiating suspension or debarment proceedings in accordance with 2 CFR Parts 180 and 1326; and such other remedies as may be legally available.

c. 2 CFR §§ 200.340 (Termination) through 200.343 (Effects of suspension and termination) apply to an award that is terminated prior to the end of the period of performance due to the recipient's or subrecipient's material failure to comply with the award terms and conditions. In addition, the failure to comply with the provisions of a DOC award may adversely impact the availability of funding under other active DOC or Federal awards and may also have a negative impact on a recipient's or subrecipient's eligibility for future DOC or Federal awards.

B. FINANCIAL REQUIREMENTS

.01 Financial Management

a. In accordance with 2 CFR § 200.302(a) (Financial Management), each State must expend and account for the Federal award in accordance with State laws and procedures for expending and accounting for the State's funds. All recipient and subrecipient's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by the terms and conditions; and tracking expenditures to establish that funds have been used in accordance with Federal statutes, regulations, and the terms and conditions applicable to the Federal award. *See* 2 CFR § 200.450 (Lobbying) for additional management requirements to verify that Federal funds are not used for unallowable lobbying costs.

b. The financial management system of each recipient and subrecipient must provide all information required by 2 CFR § 200.302(b). *See also* 2 CFR §§ 200.334 (Record retention requirements); 200.335 (Requests for transfer of records); 200.336 (Methods for collection, transmission and storage of information); 200.337 (Access to records); and 200.338 (Restrictions on public access to records).

.02 Award Payments

a. Consistent with 2 CFR § 200.305(a) (Federal payment), Payments for states are governed by Treasury-State Cash Management Improvement Act (CMIA) agreements and default procedures codified at 31 CFR Part 205 (Rules and Procedures for Efficient Federal-State Funds Transfers) and Treasury Financial Manual Volume I, 4A-2000 (Overall Disbursing Rules for All Federal Agencies).

b. Consistent with 2 CFR § 200.305(b), for recipients and subrecipients other than States, payment methods must minimize the amount of time elapsing between the transfer of funds from the Federal Agency or the pass-through entity and the disbursement of funds by the recipient or subrecipient.

1. The Grants Officer determines the appropriate method of payment and, unless otherwise stated in a specific award condition, the advance method of payment must be authorized. Advances must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the recipient or subrecipient in carrying out the purpose of the approved program or project. Unless otherwise provided by the terms and conditions of a DOC award, non-Federal entities must time advance payment requests so that Federal funds are on hand for a maximum of 30 calendar days before being disbursed by the non-Federal entity for allowable award costs.

2. If a recipient or subrecipient demonstrates an unwillingness or inability to establish procedures that will minimize the time elapsing between the transfer of funds and disbursement by the recipient or subrecipient or if a recipient or subrecipient otherwise fails to continue to qualify for the advance method of payment, the Grants Officer or the pass-through entity may change the method of payment to reimbursement only.

c. Unless otherwise provided for in the award terms, payments from DOC to recipients under this award will be made using the Department of Treasury's Automated Standard Application for Payment (ASAP) system. Under the ASAP system, payments are made through preauthorized electronic funds transfers directly to the recipient's bank account, in accordance with the requirements of the Debt Collection Improvement Act of 1996. To receive payments under ASAP, recipients are required to enroll with the Department of Treasury, Financial Management Service, Regional Financial Centers, which allows them to use the on-line and Voice Response System (VRS) method of withdrawing funds from their ASAP established accounts. The following information will be required to make withdrawals under ASAP:

1. ASAP account number – the Federal award identification number found on the cover sheet of the award;

2. Agency Location Code (ALC); and

3. Region Code.

d. Recipients enrolled in the ASAP system do not need to submit a Form SF-270 (Request for Advance or Reimbursement) for payments relating to their award. Awards paid under the ASAP system will contain a specific award condition, clause, or provision describing enrollment requirements and any controls or withdrawal limits set in the ASAP system.

e. When the Form SF-270 or successor form is used to request payment, the recipient must submit the request no more than monthly, and advances must be approved for periods to cover only expenses reasonably anticipated over the next 30 calendar days. Prior to receiving payments via the Form SF-270, the recipient must complete and submit to the Grants Officer the Form SF-3881 (ACH Vendor Miscellaneous Payment Enrollment Form) or successor form along with the initial Form SF-270. Form SF-3881 enrollment must be completed before the first award payment can be made via a Form SF-270 request.

f. The Federal award identification number must be included on all payment-related correspondence, information, and forms.

g. Recipients or subrecipients receiving advance award payments must adhere to the depository requirements set forth in 2 CFR §§ 200.305(b)(9) through (b)(13). Interest amounts up to $500 per the recipient's or subrecipient's fiscal year may be retained by the recipient or subrecipient for administrative expenses.

.03 Federal and Non-Federal Sharing

a. Awards that include Federal and non-Federal sharing incorporate a budget consisting of shared allowable costs. If actual allowable costs are less than the total approved budget, the Federal and non-Federal cost shares must be calculated by applying the approved Federal and non-Federal cost share ratios to actual allowable costs. If actual allowable costs exceed the total approved budget, the Federal share must not exceed the total Federal dollar amount authorized by the award.

b. The non-Federal share, whether in cash or third-party in-kind contributions, is to be paid out at the same general rate as the Federal share. Exceptions to this requirement may be granted by the Grants Officer based on sufficient documentation demonstrating previously determined plans for, or later commitment of, cash or third-party in-kind contributions. In any case, the recipient must meet its cost share commitment as set forth in the terms and conditions of the award; failure to do so may result in the assignment of specific award conditions or other further action as specified in General Term A.06 (Unsatisfactory Performance or Non-Compliance with Award Provisions). The recipient or subrecipient must create and maintain sufficient records justifying all non-Federal sharing requirements to facilitate questions and audits; see Section D. Audits of these terms for audit requirements. *See* 2 CFR § 200.306 for additional requirements regarding cost sharing.

.04 Budget Changes and Transfer of Funds among Categories

a. Recipients or subrecipients are required to report deviations from the approved award budget and request prior written approval from DOC in accordance with 2 CFR § 200.308 (Revision of budget and program plans) and 2 CFR § 200.407 (Prior written approval (prior approval)). Requests for such budget changes must be submitted to the Grants Officer who will notify the recipient or subrecipient of the final determination in writing. Requests requiring prior DOC approval do not become effective unless and until approved in writing by the DOC Grants Officer.

b. In accordance with 2 CFR § 200.308(i), transfers of funds among direct cost categories are permitted for awards in which the Federal share of the Federal award is equal to or less than the simplified acquisition threshold. Transfers of funds among direct cost categories must be approved in writing by the Grants Officer for awards in which the Federal share of the project exceeds the simplified acquisition threshold, and the cumulative amount of the transfer exceeds or is expected to exceed 10 percent of the total budget, including cost share, as last approved by the Grants Officer. The 10 percent threshold applies to the total Federal and non-Federal funds authorized by the Grants Officer at the time of the transfer request. This is the accumulated amount of Federal funding obligated to date by the Grants Officer along with any non-Federal share. The same requirements apply to the cumulative amount of transfer of funds among programs, functions, and activities. This transfer authority does not authorize the recipient to create new budget categories within an approved budget without Grants Officer approval. Any transfer that causes any Federal appropriation, or part thereof, to be used for an unauthorized purpose is not and will not be permitted. In addition, this provision does not prohibit the recipient from requesting Grants Officer approval for revisions to the budget. *See* 2 CFR § 200.308 (Revision of budget and program plans) (as applicable) for specific requirements concerning budget revisions and transfer of funds between budget categories.

.05 Program Income

Unless otherwise indicated in the award terms, program income may be used for any required cost sharing or added to the project budget, consistent with 2 CFR § 200.307 (Program income).

.06 Indirect or Facilities and Administrative Costs

a. Indirect costs (or facilities and administration costs (F&A)) for major institutions of higher education and major nonprofit organizations can generally be defined as costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. Indirect costs will not be allowable charges against an award unless permitted under the award and specifically included as a line item in the award's approved budget.

b. Unrecovered indirect costs, including unrecovered indirect costs on cost sharing, may be included as part of cost sharing as allowed under 2 CFR § 200.306(c) (Cost sharing) or the terms and conditions of a DOC award.

c. Cognizant Agency for Indirect Costs. OMB established the cognizant agency concept, under which a single agency represents all others in dealing with non-Federal entities in common areas. The cognizant agency for indirect costs reviews and approves recipients' indirect cost rates. In accordance with Appendices III – VII to 2 CFR Part 200 the cognizant agency for indirect costs reviews and approves recipients' indirect cost rates. With respect to for-profit organizations, the term cognizant Federal agency generally is defined as the agency that provides the largest dollar amount of negotiated contracts, including options. *See* 48 CFR § 42.003. If the only Federal funds received by a commercial organization are DOC award funds, then DOC becomes the cognizant Federal agency for indirect cost negotiations.

1. General Review Procedures Where DOC is the Cognizant Agency.

   i. Within 90 calendar days of the award start date, the recipient must submit to the Grants Officer any documentation (indirect cost proposal, cost allocation plan, etc.) necessary to allow DOC to perform the indirect cost rate proposal review. The Department of Labor developed guidance on how to put an indirect cost plan together located at https://www.dol.gov/oasam/boc/dcd/np-comm-guide.htm.

   ii. The recipient or subrecipient may use the rate proposed in the indirect cost plan as a provisional rate until DOC provides a response to the submitted plan.

   iii. The recipient or subrecipient is required to annually submit indirect cost proposals no later than six months after the recipient's fiscal year end, except as otherwise provided by 2 CFR § 200.414(g).

2. When DOC is not the oversight or cognizant Federal agency, the recipient or subrecipient must provide the Grants Officer with a copy of a negotiated rate agreement or a copy of the transmittal letter submitted to the cognizant or oversight Federal agency requesting a negotiated rate agreement within 30 calendar days of receipt of a negotiated rate agreement or submission of a negotiated rate proposal.

3. If the recipient or subrecipient is proposing indirect costs as part of a project budget, but is not required to have a negotiated rate agreement pursuant to 2 CFR Part 200, Appendix

VII, Paragraph D.1.b (*i.e.*, a governmental department or agency that receives $35 million or less in direct Federal funding), the recipient or subrecipient may be required to provide the Grants Officer with a copy of its Certificate of Indirect Costs as referenced in 2 CFR Part 200, Appendix VII, Paragraph D.3. or such other documentation, acceptable in form and substance to the Grants Officer, sufficient to confirm that proposed indirect costs are calculated and supported by documentation in accordance with 2 CFR Part 200, Appendix VII. In cases where DOC is the recipient's or subrecipient's cognizant Federal agency, DOC reserves the right, pursuant to 2 CFR Part 200, Appendix VII, Paragraph D.1.b, to require the recipient or subrecipient to submit its indirect cost rate proposal for review by DOC.

d. If the recipient or subrecipient fails to submit required documentation to DOC within 90 calendar days of the award start date, the Grants Officer may amend the award to preclude the recovery of any indirect costs under the award. If the DOC, oversight, or cognizant Federal agency determines there is a finding of good and sufficient cause to excuse the recipient's or subrecipient's delay in submitting the documentation, an extension of the 90-day due date may be approved by the Grants Officer.

e. The maximum dollar amount of allocable indirect costs for which DOC will reimburse the recipient or subrecipient is the lesser of:

1. The line-item amount for the Federal share of indirect costs contained in the approved award budget, including all budget revisions approved in writing by the Grants Officer; or

2. The Federal share of the total indirect costs allocable to the award based on the indirect cost rate approved by the cognizant agency for indirect costs and applicable to the period in which the cost was incurred, in accordance with 2 C.F.R 200 Appendix III, C.7, provided that the rate is approved on or before the award end date.

f. In accordance with 2 CFR § 200.414(c)(3), DOC set forth policies, procedures, and general decision-making criteria for deviations from negotiated indirect cost rates. These policies and procedures are applicable to all Federal financial assistance programs awarded and administered by DOC bureaus as Federal awarding agencies and may be found at https://www.commerce.gov/oam/policy/financial-assistance-policy

g. In accordance with 2 CFR § 200.414(g), any recipient or subrecipient with a current Federal negotiated indirect cost rate may apply to the cognizant agency for indirect costs for a one-time extension of a current Federal negotiated indirect cost rate for up to four years, reducing the frequency of rate calculations and negotiations between an institution and its cognizant agency.

h. In accordance with 2 CFR § 200.414(f), any recipient and subrecipient that do not have a current Federal negotiated indirect cost rate (including provisional rate) may elect to charge a de minimis rate of up to 15 percent of modified total direct costs. No documentation is required to justify the 15 percent de minimis indirect cost rate.

.07 Incurring Costs or Obligating Federal Funds Before and After the Period of Performance

a. In accordance with 2 CFR § 200.309 (Modifications to Period of Performance) and the terms and conditions of a DOC award, a recipient may charge to the Federal award only allowable costs incurred during the period of performance, which is established in the award document. As defined at 2 CFR § 200.1, the "period of performance" means the time interval between the start and end date a Federal award which may include one or more budget periods. Identification of the Period of Performance in the Federal award consistent with § 200.211(b)(5) does not commit the Federal agency to fund the award beyond the currently approved budget period." The period of performance may sometimes be referred to as the project period or award period. This General Term is subject to exceptions for allowable costs pertaining to: (i) pre-award costs (*see* 2 CFR § 200.458); (ii) publication and printing costs (*see* 2 CFR § 200.461); and administrative costs incurred relating to the close-out of an award (*see* 2 CFR § 200.344).

b. Reasonable, necessary, allowable and allocable administrative award closeout costs are authorized for a period of up to 120 calendar days following the conclusion of the period of performance. For this purpose, award closeout costs are those strictly associated with close-out activities and are typically limited to the preparation of final progress, financial, and required project audit reports, unless otherwise approved in writing by the Grants Officer. A recipient or subrecipient may request an extension of the 120-day closeout period, as provided in 2 CFR § 200.344 (Closeout).

c. Unless authorized by a specific award condition, any extension of the period of performance may only be authorized by the Grants Officer in writing. This is not a delegable authority. Verbal or written assurances of funding from anyone other than the Grants Officer does not constitute authority to obligate funds for programmatic activities beyond the end of the period of performance.

d. DOC has no obligation to provide any additional prospective funding. Any amendment of the award to increase funding and to extend the period of performance is at the sole discretion of DOC.

.08 Tax Refunds

The recipient or subrecipient shall contact the Grants Officer immediately upon receipt of the refund of any taxes, including but not limited to Federal Insurance Contributions Act (FICA) taxes, Federal Unemployment Tax Act (FUTA) taxes, or Value Added Taxes (VAT) that were allowed as charges to a DOC award, regardless of whether such refunds are received by the recipient or subrecipient during or after the period of performance. The Grants Officer will provide written disposition instructions to the recipient or subrecipient, which may include the refunded taxes being credited to the award as either a cost reduction or a cash refund or may allow the recipient or subrecipient to use such refunds for approved activities and costs under a DOC award. *See* 2 CFR § 200.470 (Taxes (including Value Added Tax)).

.09 Internal Controls

In accordance with 2 CFR § 200.303 (Internal controls), each recipient and subrecipient must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States, or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

C. PROPERTY STANDARDS

.01 Standards

Each recipient and subrecipient must comply with the Property Standards set forth in 2 CFR §§ 200.310 (Insurance coverage) through 200.316 (Property trust relationship).

.02 Real and Personal Property

a. In accordance with 2 CFR § 200.316 (Property trust relationship), real property, equipment, and other personal property acquired or improved with a Federal award must be held in trust by the recipient or subrecipient as trustee for the beneficiaries of the project or program under which the property was acquired or improved. This trust relationship exists throughout the duration of the property's estimated useful life, as determined by the Grants Officer in consultation with the Program Office, during which time the Federal Government retains an undivided, equitable reversionary interest in the property (Federal Interest). During the duration of the Federal Interest, the recipient or subrecipient must comply with all use and disposition requirements and restrictions as set forth in 2 CFR §§ 200.310 (Insurance coverage) through 200.316 (Property trust relationship), as applicable, and in the terms and conditions of the Federal award.

b. The Grants Officer may require a recipient or subrecipient to execute and to record (as applicable) a statement of interest, financing statement (form UCC-1), lien, mortgage or other public notice of record to indicate that real or personal property acquired or improved in whole or in part with Federal funds is subject to the Federal Interest, and that certain use and disposition requirements apply to the property. The statement of interest, financing statement (Form UCC 1), lien, mortgage or other public notice must be acceptable in form and substance to DOC and must be placed on record in accordance with applicable State and local law, with continuances re-filed as appropriate. In such cases, the Grants Officer may further require the recipient or subrecipient to provide DOC with a written statement from a licensed attorney in the jurisdiction where the property is located, certifying that the Federal Interest has been protected, as required under the award and in accordance with applicable State and local law. The attorney's statement, along with a copy of the instrument reflecting the recordation of the Federal Interest, must be returned to the Grants Officer. Without releasing or excusing the recipient or subrecipient from these obligations, the recipient or subrecipient, by execution of the financial assistance award or by

expending Federal financial assistance funds (in the case of a subrecipient), authorizes the Grants Officer and/or program office to file such notices and continuations as it determines to be necessary or convenient to disclose and protect the Federal Interest in the property. The Grants Officer may elect not to release any or a portion of the Federal award funds until the recipient or subrecipient has complied with this provision and any other applicable award terms or conditions, unless other arrangements satisfactory to the Grants Officer are made.

.03 Intellectual Property Rights

a. General. The rights to any work or other intangible property produced or acquired under a Federal award are determined by 2 CFR § 200.315 (Intangible property). The recipient or subrecipient owns any work produced or purchased under a Federal award subject to DOC's royalty-free, nonexclusive, and irrevocable right to obtain, reproduce, publish, or otherwise use the work or authorize others to receive, reproduce, publish, or otherwise use the work for Government purposes.

b. Inventions. Unless otherwise provided by law, the rights to any invention made by a recipient or subrecipient under a DOC financial assistance award are determined by the Bayh-Dole Act, Pub. L. No. 96-517, as amended, and as codified in 35 U.S.C. § 200 *et seq*., and modified by E.O. 12591 (52 FR 13414), as amended by E.O. 12618 (52 FR 48661). 35 U.S.C. § 201(h) defines "small business firm" as "a small business concern as defined at section 2 of Public Law 85–536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration." Section 1(b)(4) of E.O. 12591 extended the Bayh-Dole Act to recipients and subrecipients "regardless of size" to the extent permitted by law. The specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from Federal awards are described in more detail in 37 CFR Part 401, which implements 35 U.S.C. 202 through 204 and includes standard patent rights clauses in 37 CFR § 401.14, which is hereby incorporated by reference into this award.

The Bayh-Dole regulations set forth in 37 CFR parts 401 and 404 were amended by 83 FR 15954, with an effective date of May 14, 2018 (Amended Bayh-Dole Regulations). The Amended Bayh-Dole Regulations apply to all new financial assistance awards issued on or after May 14, 2018. The Amended Bayh-Dole Regulations do not apply to financial assistance awards issued prior to May 14, 2018, including amendments made to such awards, unless an award amendment includes a specific condition incorporating the Amended Bayh-Dole Regulations into the terms and conditions of the subject award.

1. Ownership. A recipient or subrecipient may have rights to inventions in accordance with 37 CFR Part 401. These requirements are technical in nature and recipients and subrecipients are encouraged to consult with their Intellectual Property counsel to ensure the proper interpretation of and adherence to the ownership rules. Unresolved questions pertaining to a recipients' or subrecipients' ownership rights may further be addressed to the Grants Officer.

2. Responsibilities - iEdison. The recipient or subrecipient must comply with all the requirements of the standard patent rights clause and 37 CFR Part 401, including the standard patent rights clause in 37 CFR § 401.14. Recipients and subrecipients are required to submit their disclosures, elections, and requests for waiver from any requirement for substantial U.S.

manufacture, electronically using the Interagency Edison extramural invention reporting system (iEdison) at www.iedison.gov. Recipients and subrecipients may obtain a waiver of this electronic submission requirement by providing the Grants Officer with compelling reasons for allowing the submission of paper reports.

c. Patent Notification Procedures. Pursuant to E.O. 12889 (58 FR 69681), DOC is required to notify the owner of any valid patent covering technology whenever DOC or a recipient or subrecipient, without making a patent search, knows (or has demonstrable reasonable grounds to know) that technology covered by a valid United States patent has been or will be used without a license from the owner. To ensure proper notification, if the recipient or subrecipient uses or has used patented technology under this award without a license or permission from the owner, the recipient or subrecipient must notify the Grants Officer.

This notice does not constitute authorization or consent by the Government to any copyright or patent infringement occurring under the award.

d. A recipient or subrecipient may copyright any work produced under a Federal award, subject to DOC's royalty-free, nonexclusive, and irrevocable right to obtain, reproduce, publish, or otherwise use the work, or authorize others to do so for Government purposes. Works jointly authored by DOC and recipient or subrecipient employees may be copyrighted, but only the part of such works authored by the recipient or subrecipient is protectable in the United States because, under 17 U.S.C. § 105, copyright protection is not available within the United States for any work of the United States Government. On occasion and as permitted under 17 U.S.C. § 105, DOC may require the recipient or subrecipient to transfer to DOC a copyright in a particular work for Government purposes or when DOC is undertaking primary dissemination of the work.

e. Freedom of Information Act (FOIA). In response to a FOIA request for research data relating to published research findings (as defined by 2 CFR § 200.315(e)(2)) produced under a Federal award that were used by the Federal government in developing an agency action that has the force and effect of law, DOC will request, and the recipient or subrecipient must provide, within a reasonable time, the research data so that they can be made available to the public through the procedures established under the FOIA.

D. AUDITS

Under the Inspector General Act of 1978, as amended, 5 U.S.C. App. 3, §§ 1 *et seq.,* an audit of the award may be conducted at any time. The Inspector General of DOC, or any of his or her duly authorized representatives, must have the right to access any pertinent books, documents, papers, and records of the recipient or subrecipient, whether written, printed, recorded, produced, or reproduced by any electronic, mechanical, magnetic, or other process or medium, to make audits, inspections, excerpts, transcripts, or other examinations as authorized by law. This right also includes timely and reasonable access to the non-Federal entity's personnel for interview and discussion related to such documents. *See* 2 CFR § 200.337 (Access to records). When the DOC Office of Inspector General (OIG) requires a program audit on a DOC award, the OIG will usually make the arrangements to audit the award, whether the audit is performed by OIG

personnel, an independent accountant under contract with DOC, or any other Federal, State, or local audit entity.

.01 Single and Program-Specific Audits

a. A non-Federal entity must, within 90 days of the end of its fiscal year, notify the Grants Officer of the amount of Federal awards, including all DOC and non-DOC awards, that the non-Federal entity expended during its fiscal year.

b. A non-Federal entity subject to the provisions of Subpart F of 2 CFR Part 200 that expends $1,000,000 or more in a year in Federal awards during the non-Federal entity's fiscal year must have an audit conducted for that year in accordance with the requirements contained in Subpart F of 2 CFR Part 200. Within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period, unless a different period is specified in a program-specific audit guide, a copy of the audit must be submitted electronically to the Federal Audit Clearinghouse (FAC) located at www.FAC.gov. In accordance with 2 CFR § 200.425 (Audit services), the non-Federal entity may include a line item in the budget for the allowable costs associated with the audit, which is subject to the approval of the Grants Officer.

c. Unless otherwise specified in the terms and conditions of the award, entities that are not subject to Subpart F of 2 CFR Part 200 (e.g., for-profit entities, foreign public entities and foreign organizations) and that expend $1,000,000 or more in DOC funds during their fiscal year (including both as a recipient and a subrecipient) must submit to the Grants Officer either: (i) a financial related audit of each DOC award or subaward in accordance with Generally Accepted Government Auditing Standards (GAGAS); or (ii) a project specific audit for each award or subaward in accordance with the requirements contained in 2 CFR § 200.507. Within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period, unless a different period is specified in a program-specific audit guide, a copy of the audit must be submitted to the Grants Officer. In accordance with 2 CFR § 200.425, the non-Federal entity may include a line item in the budget for the allowable costs associated with the audit, which is subject to the approval of the Grants Officer. Entities that are not subject to Subpart F of 2 CFR Part 200 and that expend less than $1,000,000 in DOC funds in a given fiscal year are not required to submit an audit(s) for that year but must make their award-related records available to DOC or other designated officials for review and audit.

d. Non-Federal entities are responsible for compliance with the above audit requirements and for informing the Grants Officer of the status of their audit, including when the relevant audit has been completed and submitted in accordance with the requirements of this section. Failure to provide audit reports within the timeframes specified above may result in appropriate enforcement action, up to and including termination of the award, and may jeopardize eligibility for receiving future DOC awards.

e. In accordance with 2 CFR § 200.332(e)(3), pass-through entities are responsible for issuing a management decision for audit findings pertaining only to the Federal award provided by the pass-through entity to a subrecipient.

.02 Audit Resolution Process

a. An audit of the award may result in the disallowance of costs incurred by the recipient and the establishment of a debt (account receivable) due to DOC. For this reason, the recipient should take seriously its responsibility to respond to all audit findings and recommendations with adequate explanations and supporting evidence whenever audit results are disputed.

b. A recipient whose award is audited has the following opportunities to dispute the proposed disallowance of costs and the establishment of a debt:

1. The recipient has 30 calendar days from the date of the transmittal of the draft audit report to submit written comments and documentary evidence.

2. The recipient has 30 calendar days from the date of the transmittal of the final audit report to submit written comments and documentary evidence.

3. DOC will review the documentary evidence submitted by the recipient and will notify the recipient of the results in a *Management Decision Letter*. The recipient has 30 calendar days from the date of receipt of the *Management Decision Letter* to submit a written appeal, unless this deadline is extended in writing by DOC. The appeal is the last opportunity for the recipient to submit written comments and documentary evidence to DOC to dispute the validity of the audit resolution determination.

4. An appeal of the Management Decision does not prevent the establishment of the audit-related debt nor does it prevent the accrual of applicable interest, penalties and administrative fees on the debt in accordance with 15 CFR Part 19. If the Management Decision is overruled or modified on appeal, appropriate corrective action will be taken retroactively.

5. DOC will review the recipient's appeal and notify the recipient of the results in an *Appeal Determination Letter*. After the opportunity to appeal has expired or after the appeal determination has been rendered, DOC will not accept any further documentary evidence from the recipient. No other administrative appeals are available in DOC.

E. DEBTS

.01 Payment of Debts Owed to the Federal Government

a. The recipient or subrecipient must promptly pay any debts determined to be owed to the Federal Government. Any funds paid to a recipient or subrecipient in excess of the amount to which the recipient or subrecipient is finally determined to be entitled under the terms of the Federal award constitute a debt to the Federal government. In accordance with 2 CFR § 200.346 (Collection of amounts due), DOC must collect all debts arising out of its Federal awards in accordance with the Standards for the Administrative Collection of Claims (31 CFR part 901).

The foregoing does not waive any claim on a debt that DOC may have against another entity, and all rights and remedies to pursue other parties are preserved.

b. DOC debt collection procedures are set out in 15 CFR Part 19. In accordance with 15 CFR Part 19 and 31 U.S.C. § 3717, failure to pay a debt owed to the Federal Government must result in the assessment of interest, penalties and administrative costs in accordance with the provisions of 31 U.S.C. § 3717 and 31 CFR § 901.9. Commerce entities will transfer any Commerce debt that is delinquent for more than 120 calendar days to the U.S. Department of the Treasury's Financial Management Service for debt collection services, a process known as cross-servicing, pursuant to 31 U.S.C. § 3711(g), 31 CFR § 285.12, and 15 CFR § 19.9. DOC may also take further action as specified in DOC GT&C A.06 (Unsatisfactory Performance or Non-Compliance with Award Provisions). Funds for payment of a debt must not come from other Federally-sponsored programs, and DOC may conduct on-site visits, audits, and other reviews to verify that other Federal funds have not been used to pay a debt. See also 2 CFR § 200.346 (Collection of amounts due).

.02 Late Payment Charges

a. Interest will be assessed on the delinquent debt in accordance with section 11 of the Debt Collection Act of 1982, as amended (31 U.S.C. § 3717(a)). The minimum annual interest rate to be assessed is the U.S. Department of the Treasury's Current Value of Funds Rate (CVFR). The CVFR is available online at https://www.fiscal.treasury.gov/fsreports/rpt/cvfr/cvfr_home.htm and also published by the Department of the Treasury in the *Federal Register* (http://www.gpo.gov/fdsys/browse/collection.action?collectionCode=FR) and in the *Treasury Financial Manual Bulletin*. The assessed rate must remain fixed for the duration of the indebtedness.

b. Penalties will accrue at a rate of not more than six percent per year or such other higher rate as authorized by law.

c. Administrative charges, i.e., the costs of processing and handling a delinquent debt, will be determined by the Commerce entity collecting the debt, as directed by the Office of the Chief Financial Officer and Assistant Secretary for Administration.

.03 Barring Delinquent Federal Debtors from Obtaining Federal Loans or Loan Insurance Guarantees

Pursuant to 31 U.S.C. § 3720B and 31 CFR § 901.6, unless waived by DOC, DOC is not permitted to extend financial assistance in the form of a loan, loan guarantee, or loan insurance to any person delinquent on a nontax debt owed to a Federal agency. This prohibition does not apply to disaster loans.

.04 Effect of Judgment Lien on Eligibility for Federal Grants, Loans, or Programs

Pursuant to 28 U.S.C. § 3201(e), unless waived by DOC, a debtor who has a judgment lien against the debtor's property for a debt to the United States is not eligible to receive any grant or

loan that is made, insured, guaranteed, or financed directly or indirectly by the United States or to receive funds directly from the Federal Government in any program, except funds to which the debtor is entitled as beneficiary, until the judgment is paid in full or otherwise satisfied.

F. CONFLICT OF INTEREST, CODE OF CONDUCT AND OTHER REQUIREMENTS PERTAINING TO DOC FINANCIAL ASSISTANCE AWARDS, INCLUDING SUBAWARD AND PROCUREMENT ACTIONS

.01 Conflict of Interest and Code of Conduct

a. DOC Conflict of Interest Policy. In accordance with 2 CFR § 200.112 (Conflict of interest), the recipient or subrecipient must disclose in writing any potential conflict of interest to DOC or pass-through entity. In addition, a recipient or subrecipient will establish and maintain written standards of conduct that include safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain in the administration of an award. It is DOC's policy to maintain the highest standards of conduct and to prevent real or apparent conflicts of interest in connection with DOC financial assistance awards.

b. A conflict of interest generally exists when an interested party participates in a matter that has a direct and predictable effect on the interested party's personal or financial interests. A financial interest may include employment, stock ownership, a creditor or debtor relationship, or prospective employment with the organization selected or to be selected for a subaward. A conflict also may exist where there is an appearance that an interested party's objectivity in performing his or her responsibilities under the project is impaired. For example, an appearance of impairment of objectivity may result from an organizational conflict where, because of other activities or relationships with other persons or entities, an interested party is unable to render impartial assistance, services or advice to the recipient, a participant in the project or to the Federal Government. Additionally, a conflict of interest may result from non-financial gain to an interested party, such as benefit to reputation or prestige in a professional field. For purposes of the DOC Conflict of Interest Policy, an interested party includes, but is not necessarily limited to, any officer, employee or member of the board of directors or other governing board of a recipient or subrecipient, including any other parties that advise, approve, recommend, or otherwise participate in the business decisions of the recipient, such as agents, advisors, consultants, attorneys, accountants or shareholders. This also includes immediate family and other persons directly connected to the interested party by law or through a business arrangement.

c. Procurement-related conflict of interest. In accordance with 2 CFR § 200.318 (General procurement standards), recipients and subrecipients must maintain written standards of conduct covering conflicts of interest and governing the performance of their employees engaged in the selection, award and administration of contracts. *See* paragraph F.04 of these General Terms (Requirements for Procurements).

.02 Nonprocurement Debarment and Suspension

Recipients and subrecipients must comply with the provisions of 2 CFR Part 1326 (Nonprocurement Debarment and Suspension), which generally prohibit entities that have been debarred, suspended, or voluntarily excluded from participating in Federal nonprocurement transactions either through primary or lower tier covered transactions, and which set forth the responsibilities of recipients of Federal financial assistance regarding transactions with other persons, including subrecipients and contractors.

.03 Requirements for Subawards

a. The recipient or pass-through entity must require all subrecipients, including lower tier subrecipients, to comply with the terms and conditions of a DOC financial assistance award, including applicable provisions of the OMB Uniform Guidance (2 CFR Part 200), and all associated Terms and Conditions set forth herein. *See* 2 CFR § 200.101(b)(2) (Applicability to Federal financial assistance), which describes the applicability of 2 CFR Part 200 to various types of Federal financial assistance and §§ 200.331-333 (Subrecipient monitoring and management).

b. The recipient or pass through entity may have more restrictive policies for the RTC ***waived*** prior approvals (no-cost extensions, re-budgeting, etc.) for their subaward recipients. Such restrictive policies must be addressed in their subaward agreements and in accordance with 2 CFR § 200.331.

.04 Requirements for Procurements

a. States and Indian Tribes. Pursuant to 2 CFR § 200.317 (Procurements by States and Indian Tribes), when procuring property and services under this Federal award, a State or Indian Tribe must follow the same policies and procedures it uses for procurements from its non-Federal funds. The State and Indian Tribe must comply with 2 CFR §§ 200.321 (Contracting with small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms), 200.322 (Domestic preferences for procurements), and 200.323 (Procurement of recovered materials), and ensure that every purchase order or other contract includes any clauses required by 2 CFR § 200.327 (Contract provisions).

b. Other Recipients and Subrecipients. All other recipients and subrecipients, including subrecipients of a State or Indian Tribe, must follow the procurement standards in 2 CFR §§ 200.318 (General procurement standards) through 200.327 (Contract provisions) which include the requirement that recipients and subrecipients maintain written standards of conduct covering conflicts of interest and governing the performance of their employees engaged in the selection, award, and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest.

.05 Whistleblower Protections

This award is subject to the whistleblower protections afforded by 41 U.S.C. § 4712 (Enhancement of contractor protection from reprisal for disclosure of certain information), which generally provide that an employee or contractor (including subcontractors and personal services contractors) of a recipient or subrecipient may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body information that the employee reasonably believes is evidence of gross mismanagement of a Federal award, subaward, or a contract under a Federal award or subaward, a gross waste of Federal funds, an abuse of authority relating to a Federal award or subaward or contract under a Federal award or subaward, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal award, subaward, or contract under a Federal award or subaward. These persons or bodies include:

a. A Member of Congress or a representative of a committee of Congress.
b. An Inspector General.
c. The Government Accountability Office.
d. A Federal employee responsible for contract or grant oversight or management at the relevant agency.
e. An authorized official of the Department of Justice or other law enforcement agency.
f. A court or grand jury.
g. A management official or other employee of the contractor, subcontractor, or grantee who has the responsibility to investigate, discover, or address misconduct.

Recipients, subrecipients, and contractors under Federal awards and subawards must inform their employees in writing of the rights and remedies provided under 41 U.S.C. § 4712, in the predominant native language of the workforce.

.06 Small Businesses, Minority Business Enterprises and Women's Business Enterprises

In accordance with 2 CFR § 200.321 (Contracting with small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms), the recipient or subrecipient should ensure that small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms are used when possible. DOC encourages non-Federal entities to use small businesses, minority business enterprises, women's business enterprises, and veteran-owned businesses in contracts under financial assistance awards. The Minority Business Development Agency (MBDA) within DOC will assist non-Federal entities in matching qualified minority business enterprises with contract opportunities. For further information visit MBDA's website at http://www.mbda.gov. If you do not have access to the Internet, you may contact MBDA via telephone or mail:

U.S. Department of Commerce
Minority Business Development Agency
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230
(202) 482-0101

G. NATIONAL POLICY REQUIREMENTS

.01 United States Laws and Regulations

This award is subject to the laws and regulations of the United States. The recipient and subrecipient must comply with all applicable requirements of all other Federal laws, executive orders, regulations and policies governing this program.

.02 Non-Discrimination Requirements

No person in the United States may, on the ground of race, color, national origin, handicap, age, religion, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under, any program or activity receiving Federal financial assistance. The recipient and subrecipient agrees to comply with the non-discrimination requirements below:

a. Statutory Provisions

1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d *et seq.*) and DOC implementing regulations published at 15 CFR Part 8 prohibiting discrimination on the grounds of race, color, or national origin under programs or activities receiving Federal financial assistance;

2. Title IX of the Education Amendments of 1972 (20 U.S.C. §§ 1681 *et seq.*) prohibiting discrimination on the basis of sex under Federally assisted education programs or activities;

3. The Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101 *et seq.*) prohibiting discrimination on the basis of disability under programs, activities, and services provided or made available by State and local governments or instrumentalities or agencies thereto, as well as public or private entities that provide public transportation;

4. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), and DOC implementing regulations published at 15 CFR Part 8b prohibiting discrimination on the basis of handicap under any program or activity receiving or benefiting from Federal assistance.

   For purposes of complying with the accessibility standards set forth in 15 CFR § 8b.18(c), recipients and subrecipients must adhere to the regulations, published by the U.S. Department of Justice, implementing Title II of the Americans with Disabilities Act (ADA) (28 CFR part 35; 75 FR 56164, as amended by 76 FR 13285) and Title III of the ADA (28 CFR part 36; 75 FR 56164, as amended by 76 FR 13286). The revised regulations adopted new enforceable accessibility standards called the "2010 ADA Standards for Accessible Design" (2010 Standards), which replace and supersede the former Uniform Federal Accessibility Standards for new construction and alteration projects;

5. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 *et seq.*), and DOC implementing regulations published at 15 CFR Part 20 prohibiting discrimination on the basis of age in programs or activities receiving Federal financial assistance; and

6. Any other applicable non-discrimination law(s).

b. Other Provisions

1. Parts II and III of E.O. 11246 (Equal Employment Opportunity, 30 FR 12319),[3] which requires Federally assisted construction contracts to include the nondiscrimination provisions of §§ 202 and 203 of E.O. 11246 and Department of Labor regulations implementing E.O. 11246 (41 CFR § 60-1.4(b)).

2. E.O. 13166 (65 FR 50121, Improving Access to Services for Persons with Limited English Proficiency), requiring Federal agencies to examine the services provided, identify any need for services to those with limited English proficiency (LEP), and develop and implement a system to provide those services so LEP persons can have meaningful access to them. DOC issued policy guidance on March 24, 2003 (68 FR 14180) to articulate the Title VI prohibition against national origin discrimination affecting LEP persons and to help ensure that recipients and subrecipients provide meaningful access to their LEP applicants and beneficiaries.

3. In accordance with E.O 13798 and Office of Management and Budget, M-20-09 – Guidance Regarding Federal Grants, states or other public recipients may not condition sub-awards of Federal money in a manner that would disadvantage applicants based on their religious character.

c. Title VII Exemption for Religious Organizations

Generally, Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000e *et seq.*, provides that it is an unlawful employment practice for an employer to discharge any individual or otherwise to discriminate against an individual with respect to compensation, terms, conditions, or privileges of employment because of such individual's race, color, religion, sex, or national origin. However, Title VII, 42 U.S.C. § 2000e-1(a), expressly exempts from the prohibition against discrimination based on religion, "a religious corporation, association, educational institution, or society with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution, or society of its activities."

.03 LOBBYING RESTRICTIONS

a. Statutory Provisions

Recipients and subrecipients must comply with 2 CFR § 200.450 (Lobbying), which incorporates the provisions of 31 U.S.C. § 1352; and OMB guidance and notices on lobbying

[3] As amended by E.O. 11375(32 FR 14303), E.O. 11478 (34 FR 12985), E.O. 12086 (43 FR 46501), E.O. 12107 (44 FR 1055), E.O. 13279 (F67 FR 77141), E.O. 13665 (79 FR 20749), and E.O. 13672 (79 FR 42971).

restrictions. In addition, recipients and subrecipients must comply with DOC regulations published at 15 CFR Part 28, which implement the New Restrictions on Lobbying. These provisions prohibit the use of Federal funds for lobbying the executive or legislative branches of the Federal Government in connection with the award and require the disclosure of the use of non-Federal funds for lobbying. Lobbying includes attempting to improperly influence, meaning any influence that induces or tends to induce a Federal employee or officer to give consideration or to act regarding a Federal award or regulatory matter on any basis other than the merits of the matter, either directly or indirectly. Costs incurred to improperly influence are unallowable. *See* 2 CFR § 200.450(b) and (c).

b. Disclosure of Lobbying Activities

Any recipient or subrecipient that receives more than $100,000 in Federal funding and conducts lobbying with non-federal funds relating to a covered Federal action must submit a completed Form SF-LLL (Disclosure of Lobbying Activities). The Form SF-LLL must be submitted within 30 calendar days following the end of the calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed. The recipient must submit any required SF-LLL forms, including those received from subrecipients, contractors, and subcontractors, to the Grants Officer.

.04 Environmental Requirements

Environmental impacts must be considered by Federal decision makers in their decisions whether or not to approve: (1) a proposal for Federal assistance; (2) the proposal with mitigation; or (3) a different proposal having less adverse environmental impacts. Federal environmental laws require that the funding agency initiate an early planning process that considers potential impacts that projects funded with Federal assistance may have on the environment. Each recipient and subrecipient must comply with all environmental standards, to include those prescribed under the following statutes and E.O.s and must identify to the awarding agency any impact the award may have on the environment. In some cases, award funds can be withheld by the Grants Officer under a specific award condition requiring the recipient or subrecipient to submit additional environmental compliance information sufficient to enable DOC to make an assessment on any impacts that a project may have on the environment.

a. The National Environmental Policy Act (42 U.S.C. §§ 4321 *et seq.*)

The National Environmental Policy Act (NEPA) and the Council on Environmental Quality (CEQ) implementing regulations (40 CFR Parts 1500 through 1508) require that an environmental analysis be completed for all major Federal actions to determine whether they have significant impacts on the environment. NEPA applies to the actions of Federal agencies and may include a Federal agency's decision to fund non-Federal projects under grants and cooperative agreements when the award activities remain subject to Federal authority and control. Recipients and subrecipients are required to identify to the awarding agency any direct, indirect or cumulative impact an award will have on the quality of the human environment and assist the agency in complying with NEPA. Recipients and subrecipients may also be requested to assist DOC in drafting an environmental assessment

or environmental impact statement if DOC determines such documentation is required, but DOC remains responsible for the sufficiency and approval of the final documentation. Until the appropriate NEPA documentation is complete and in the event that any additional information is required during the period of performance to assess project environmental impacts, funds can be withheld by the Grants Officer under a specific award condition requiring the recipient and subrecipient to submit the appropriate environmental information and NEPA documentation sufficient to enable DOC to make an assessment on any impacts that a project may have on the environment.

b. The National Historic Preservation Act (16 U.S.C. §§ 470 *et seq.*)

Section 106 of the National Historic Preservation Act (NHPA) (16 U.S.C. § 470f) and the Advisory Council on Historic Preservation (ACHP) implementing regulations (36 CFR Part 800) require that Federal agencies take into account the effects of their undertakings on historic properties and, when appropriate, provide the ACHP with a reasonable opportunity to comment. Historic properties include but are not necessarily limited to districts, buildings, structures, sites and objects. In this connection, archeological resources and sites that may be of traditional religious and cultural importance to Federally-recognized Indian Tribes, Alaskan Native Villages and Native Hawaiian Organizations may be considered historic properties. Recipients and subrecipients are required to identify to the awarding agency any effects the award may have on properties included on or eligible for inclusion on the National Register of Historic Places. Recipients and subrecipients may also be requested to assist DOC in consulting with State or Tribal Historic Preservation Officers, ACHPs or other applicable interested parties necessary to identify, assess, and resolve adverse effects to historic properties. Until such time as the appropriate NHPA consultations and documentation are complete and in the event that any additional information is required during the period of performance in order to assess project impacts on historic properties, funds can be withheld by the Grants Officer under a specific award condition requiring the recipient and subrecipient to submit any information sufficient to enable DOC to make the requisite assessment under the NHPA.

Additionally, recipients and subrecipients are required to assist DOC in assuring compliance with the Archeological and Historic Preservation Act of 1974 (54 U.S.C. § 312502 et seq., formerly 16 U.S.C. § 469a-1 et seq.); Executive Order 11593 (Protection and Enhancement of the Cultural Environment, May 13, 1971); Executive Order 13006 (Locating Federal Facilities on Historic Properties in Our Nation's Central Cities, May 21, 1996); and Executive Order 13007 (Indian Sacred Sites, May 24, 1996).

c. Executive Order 11988 (Floodplain Management) and Executive Order 11990 (Protection of Wetlands)

Recipients and subrecipients must identify proposed actions in Federally defined floodplains and wetlands to enable DOC to decide whether there is an alternative to minimize any potential harm.

d. Clean Air Act (42 U.S.C. §§ 7401 *et seq.*), Federal Water Pollution Control Act (33 U.S.C. §§ 1251 *et seq.*) (Clean Water Act), and Executive Order 11738 ("Providing for administration of the Clean Air Act and the Federal Water Pollution Control Act with respect to Federal contracts, grants or loans")

Recipients and subrecipients must comply with the provisions of the Clean Air Act (42 U.S.C. §§ 7401 *et seq.*), Clean Water Act (33 U.S.C. §§ 1251 *et seq.*), and E.O. 11738 (38 FR 25161), and must not use a facility on the Excluded Parties List (EPL) (located on the System for Award Management (SAM) website, SAM.gov) in performing any award that is nonexempt under 2 CFR § 1532, and must notify the Program Officer in writing if it intends to use a facility that is on the EPL or knows that the facility has been recommended to be placed on the EPL.

e. The Flood Disaster Protection Act (42 U.S.C. §§ 4002 *et seq.*)

Flood insurance, when available, is required for Federally assisted construction or acquisition in flood-prone areas. Per 2 CFR § 200.447(a), the cost of required flood insurance is an allowable expense, if it is reflected in the approved project budget.

f. The Endangered Species Act (16 U.S.C. §§ 1531 *et seq.*)

Recipients and subrecipients must identify any impact or activities that may involve a threatened or endangered species. Federal agencies have the responsibility to ensure that no adverse effects to a protected species or habitat occur from actions under Federal assistance awards and conduct the reviews required under the Endangered Species Act, as applicable.

g. The Coastal Zone Management Act (16 U.S.C. §§ 1451 *et seq.*)

Funded projects must be consistent with a coastal State's approved management program for the coastal zone.

h. The Coastal Barriers Resources Act (16 U.S.C. §§ 3501 *et seq.*)

Only in certain circumstances can Federal funding be provided for actions within a Coastal Barrier System.

i. The Wild and Scenic Rivers Act (16 U.S.C. §§ 1271 *et seq.*)

This Act applies to awards that may affect existing or proposed components of the National Wild and Scenic Rivers system.

j. The Safe Drinking Water Act of 1974, as amended, (42 U.S.C. §§ 300f *et seq.*)

This Act precludes Federal assistance for any project that the EPA determines may contaminate a sole source aquifer which threatens public health.

k. The Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 *et seq.*)

This Act regulates the generation, transportation, treatment, and disposal of hazardous wastes, and provides that recipients and subrecipients give preference in their procurement programs to the purchase of recycled products pursuant to EPA guidelines.

l. The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA, commonly known as Superfund) (42 U.S.C. §§ 9601 *et seq.*) and the Community Environmental Response Facilitation Act (42 U.S.C. § 9601 note *et seq.*)

These requirements address responsibilities related to hazardous substance releases, threatened releases and environmental cleanup. There are also reporting and community involvement requirements designed to ensure disclosure of the release or disposal of regulated substances and cleanup of hazards to state and local emergency responders.

m. Executive Order 12898 ("Federal Actions to Address Environmental Justice in Minority Populations and Low Income Populations")

Federal agencies are required to identify and address the disproportionately high and adverse human health or environmental effects of Federal programs, policies, and activities on low income and minority populations.

n. The Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. § 1801 *et seq.*)

Recipients and subrecipients must identify to DOC any effects the award may have on essential fish habitat (EFH). Federal agencies which fund, permit, or carry out activities that may adversely impact EFH are required to consult with the National Marine Fisheries Service (NMFS) regarding the potential effects of their actions and respond in writing to NMFS recommendations. These recommendations may include measures to avoid, minimize, mitigate, or otherwise offset adverse effects on EFH. In addition, NMFS is required to comment on any state agency activities that would impact EFH. Provided the specifications outlined in the regulations are met, EFH consultations will be incorporated into interagency procedures previously established under NEPA, the ESA, Clean Water Act, Fish and Wildlife Coordination Act, or other applicable statutes.

o. Clean Water Act (CWA) Section 404 (33 U.S.C. § 1344)

CWA Section 404 regulates the discharge of dredged or fill material into waters of the United States, including wetlands. Activities in waters of the United States regulated under this program include fill for development, water resource projects (such as levees and some coastal restoration activities), and infrastructure development (such as highways and airports). CWA Section 404 requires a permit from the U.S. Army Corps of Engineers before dredged or fill material may be discharged into waters of the United States, unless the activity is exempt from Section 404 regulation (e.g., certain farming and forestry activities).

p. Rivers and Harbors Act (33 U.S.C. § 407)

A permit may be required from the U.S. Army Corps of Engineers if the proposed activity involves any work in, over or under navigable waters of the United States. Recipients and subrecipients must identify any work (including structures) that will occur in, over or under navigable waters of the United States and obtain the appropriate permit, if applicable.

q. The Migratory Bird Treaty Act (16 U.S.C. §§ 703-712), Bald and Golden Eagle Protection Act (16 U.S.C. § 668 *et seq.*), and Executive Order 13186 (Responsibilities of Federal Agencies to Protect Migratory Birds, January 10, 2001)

Many prohibitions and limitations apply to projects that adversely impact migratory birds and bald and golden eagles. Executive Order 13186 directs Federal agencies to enter a Memorandum of Understanding with the U.S. Fish and Wildlife Service to promote conservation of migratory bird populations when a Federal action will have a measurable negative impact on migratory birds.

r. Executive Order 13112 (Invasive Species, February 3, 1999)

Federal agencies must identify actions that may affect the status of invasive species and use relevant programs and authorities to: (i) prevent the introduction of invasive species; (ii) detect and respond rapidly to and control populations of such species in a cost-effective and environmentally sound manner; (iii) monitor invasive species populations accurately and reliably; (iv) provide for restoration of native species and habitat conditions in ecosystems that have been invaded; (v) conduct research on invasive species and develop technologies to prevent introduction and provide for environmentally sound control of invasive species; and (vi) promote public education on invasive species and the means to address them. In addition, an agency may not authorize, fund, or carry out actions that it believes are likely to cause or promote the introduction or spread of invasive species in the United States or elsewhere.

s. Fish and Wildlife Coordination Act (16 U.S.C. § 661 *et seq.*)

During the planning of water resource development projects, agencies are required to give fish and wildlife resources equal consideration with other values. Additionally, the U.S. Fish and Wildlife Service and fish and wildlife agencies of states must be consulted whenever waters of any stream or other body of water are "proposed or authorized, permitted or licensed to be impounded, diverted… or otherwise controlled or modified" by any agency under a Federal permit or license.

.05 OTHER NATIONAL POLICY REQUIREMENTS

a. Buy-American Preferences

Strengthening Buy-American Preferences for Infrastructure Projects. Recipients or subrecipients of covered programs (as defined in Executive Order 13858, 31 January 2019, and 2 CFR §200.322 (Domestic preferences for procurements)) are hereby notified that they are encouraged to use, to the greatest extent practicable and consistent with law, iron and aluminum as well as steel, cement, and other manufactured products produced in the United

States in every contract, subcontract, purchase order, or subaward that is chargeable under this Award.

b. Criminal and Prohibited Activities

1. The Program Fraud Civil Remedies Act (31 U.S.C. § 3801 *et seq.*), provides for the imposition of civil penalties against persons who make false, fictitious, or fraudulent claims to the Federal Government for money (including money representing grants, loans, or other benefits).

2. The False Claims Amendments Act of 1986 and the False Statements Accountability Act of 1996 (18 U.S.C. §§ 287 and 1001, respectively), provide that whoever makes or presents any false, fictitious, or fraudulent statement, representation, or claim against the United States must be subject to imprisonment of not more than five years and must be subject to a fine in the amount provided by 18 U.S.C. § 287.

3. The Civil False Claims Act (31 U.S.C. §§ 3729 - 3733), provides that suits can be brought by the government, or a person on behalf of the government, for false claims made under Federal assistance programs.

4. The Copeland Anti-Kickback Act (18 U.S.C. § 874), prohibits a person or organization engaged in a Federally supported project from enticing an employee working on the project from giving up a part of his compensation under an employment contract. The Copeland Anti-Kickback Act also applies to contractors and subcontractors pursuant to 40 U.S.C. § 3145.

5. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601 et seq.) and implementing regulations issued at 15 CFR Part 11, which provides for fair and equitable treatment of displaced persons or persons whose property is acquired as a result of Federal or Federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

6. The Hatch Act (5 U.S.C. §§ 1501-1508 and 7321-7326), which limits the political activities of employees or officers of state or local governments whose principal employment activities are funded in whole or in part with Federal funds.

7. To ensure compliance with Federal law pertaining to financial assistance awards, an authorized representative of a recipient or subrecipient may be required to periodically provide certain certifications to DOC regarding Federal felony and Federal criminal tax convictions, unpaid federal tax assessments, delinquent Federal tax returns and such other certifications that may be required by Federal law.

c. Drug-Free Workplace

The recipient and subrecipient must comply with the provisions of the Drug-Free Workplace Act of 1988 (41 U.S.C. § 8102) and DOC implementing regulations published at

2 CFR Part 1329 (Requirements for Drug-Free Workplace (Financial Assistance)), which require that the recipient and subrecipient take certain actions to provide a drug-free workplace.

d. Foreign Travel

1. Each recipient and subrecipient must comply with the provisions of the Fly America Act (49 U.S.C. § 40118). The implementing regulations of the Fly America Act are found at 41 CFR §§ 301-10.131 through 301-10.143.

2. The Fly America Act requires that Federal travelers and others performing U.S. Government-financed air travel must use U.S. flag air carriers, to the extent that service by such carriers is available. Foreign air carriers may be used only in specific instances, such as when a U.S. flag air carrier is unavailable or use of U.S. flag air carrier service will not accomplish the agency's mission.

3. One exception to the requirement to fly U.S. flag carriers is transportation provided under a bilateral or multilateral air transport agreement, to which the United States Government and the government of a foreign country are parties, and which the Department of Transportation has determined meets the requirements of the Fly America Act pursuant to 49 U.S.C. § 40118(b). The United States Government has entered into bilateral/multilateral "Open Skies Agreements" (U.S. Government Procured Transportation) that allow federal funded transportation services for travel and cargo movements to use foreign air carriers under certain circumstances. There are multiple "Open Skies Agreements" currently in effect. For more information about the current bilateral and multilateral agreements, visit the GSA Fly America website: Fly America Act | GSA. Information on the Open Skies agreements (U.S. Government Procured Transportation) and other specific country agreements may be accessed via the Department of State's website.

4. If a foreign air carrier is anticipated to be used for any portion of travel under a DOC financial assistance award, the recipient or subrecipient must receive prior approval from the Grants Officer. When requesting such approval, the recipient or subrecipient must provide a justification in accordance with guidance provided by 41 CFR § 301-10.142, which requires the recipient or subrecipient to provide the Grants Officer with the following: name; dates of travel; origin and destination of travel; detailed itinerary of travel; name of the air carrier and flight number for each leg of the trip; and a statement explaining why the recipient or subrecipient meets one of the exceptions to the regulations. If the use of a foreign air carrier is pursuant to a bilateral agreement, the recipient or subrecipient must provide the Grants Officer with a copy of the agreement or a citation to the official agreement available on the GSA website. The Grants Officer must make the final determination and notify the recipient in writing (which may be done through the recipient in the case of subrecipient travel). Failure to adhere to the provisions of the Fly America Act will result in the recipient or subrecipient not being reimbursed for any transportation costs for which any recipient or subrecipient improperly used a foreign air carrier.

Note: When using code-sharing flights (two or more airlines having flight numbers assigned to the same flight) involving U.S. flag carriers and non-U.S. flag carriers, the airline

symbol and flight number of the U.S. flag carrier must be used on the ticket to qualify as a U.S. flag carrier (e.g. "*Delta Airlines Flight XXXX, operated by KLM*"). Conversely, if the ticket shows "[*Foreign Air Carrier*] *XXX, operated by Delta*," that travel is using a foreign air carrier and is subject to the Fly America Act and must receive prior approval from the Grants Officer as outlined in paragraph G.05.d.4.

e. Increasing Seat Belt Use in the United States

Pursuant to E.O. 13043 (62 FR 19217), recipients and subrecipients should encourage employees and contractors to enforce on-the-job seat belt policies and programs when operating company-owned, rented, or personally owned vehicles.

f. Federal Employee Expenses and Subawards or Contracts Issued to Federal Employees or Agencies

1. Use of award funds (Federal or non-Federal) or the recipient's or subrecipient's provision of in-kind goods or services for the purposes of transportation, travel, or any other expenses for any Federal employee may raise appropriation augmentation issues. In addition, DOC policy may prohibit the acceptance of gifts, including travel payments for federal employees, from recipients or subrecipients regardless of the source. Therefore, before award funds may be used by Federal employees, recipients or subrecipients must submit requests for approval of such action to the Federal Program Officer who must review and make a recommendation to the Grants Officer. The Grants Officer will notify the recipient or subrecipient in writing (generally through the recipient) of the final determination.

2. A recipient or subrecipient or its contractor may not issue a subaward, contract or subcontract of any part of a DOC award to any agency or employee of DOC or to other Federal employee, department, agency, or instrumentality, without the advance prior written approval of the DOC Grants Officer.

g. Minority Serving Institutions Initiative

Pursuant to E.O.s 13555 (White House Initiative on Educational Excellence for Hispanics) (75 FR 65417), 13592 (Improving American Indian and Alaska Native Educational Opportunities and Strengthening Tribal Colleges and Universities) (76 FR 76603), and 13779 (White House Initiative to Promote Excellence and Innovation at Historically Black Colleges and Universities) (82 FR 12499), DOC is strongly committed to broadening the participation of minority serving institutions (MSIs) in its financial assistance programs. DOC's goals include achieving full participation of MSIs to advance the development of human potential, strengthen the Nation's capacity to provide high-quality education, and increase opportunities for MSIs to participate in and benefit from Federal financial assistance programs. DOC encourages all applicants, recipients, and subrecipients to include meaningful participation of MSIs. Institutions eligible to be considered MSIs are listed on the Department of Education website.

h. Research Misconduct

DOC adopts, and applies to financial assistance awards for research, the Federal Policy on Research Misconduct (Federal Policy) issued by the Executive Office of the President's Office of Science and Technology Policy on December 6, 2000 (65 FR 76260). As provided for in the Federal Policy, research misconduct refers to the fabrication, falsification, or plagiarism in proposing, performing, or reviewing research, or in reporting research results. Research misconduct does not include honest errors or differences of opinion. Recipients and subrecipients that conduct extramural research funded by DOC must foster an atmosphere conducive to the responsible conduct of sponsored research by safeguarding against and resolving allegations of research misconduct. Recipients and subrecipients also have the primary responsibility to prevent, detect, and investigate allegations of research misconduct and, for this purpose, may rely on their internal policies and procedures, as appropriate, to do so. Recipients and subrecipients must notify the Grants Officer of any allegation that meets the definition of research misconduct and detail the entity's inquiry to determine whether there is sufficient evidence to proceed with an investigation, as well as the results of any investigation. DOC may take appropriate administrative or enforcement action at any time under the award, up to and including award termination and possible suspension or debarment, and referral to the Commerce OIG, the U.S. Department of Justice, or other appropriate investigative body.

i. Research Involving Human Subjects

1. All proposed research involving human subjects must be conducted in accordance with 15 CFR Part 27 (Protection of Human Subjects). No research involving human subjects is permitted under this award unless expressly authorized by specific award condition, or otherwise in writing by the Grants Officer.

2. Federal policy defines a human subject as a living individual about whom an investigator (whether professional or student) conducting research (1) Obtains information or biospecimens through intervention or interaction with the individual, and uses, studies, or analyzes the information or biospecimens; or (2) Obtains, uses, studies, analyzes, or generates identifiable private information or identifiable biospecimens. Research means a systematic investigation, including research development, testing and evaluation, designed to develop or contribute to generalizable knowledge.

3. DOC regulations at 15 CFR Part 27 require that recipients and subrecipients maintain appropriate policies and procedures for the protection of human subjects. In the event it becomes evident that human subjects may be involved in this project, the recipient and subrecipient (generally through the recipient) must submit appropriate documentation to the Federal Program Officer for approval by the appropriate DOC officials. As applicable, this documentation must include:

   i. Documentation establishing approval of an activity in the project by an Institutional Review Board (IRB) under a Federal wide Assurance issued by Department of Health and Human Services or other Federal agency guidelines (*see also* 15 CFR § 27.103);

ii. Documentation to support an exemption for an activity in the project under 15 CFR § 27.104(d);

iii. Documentation of IRB approval of any modification to a prior approved protocol or to an informed consent form;

iv. Documentation of an IRB approval of continuing review approved prior to the expiration date of the previous IRB determination; and

v. Documentation of any reportable events, such as serious adverse events, unanticipated problems resulting in risk to subjects or others, and instances of noncompliance.

4. No work involving human subjects may be undertaken, conducted, or costs incurred and/or charged for human subjects research, until the appropriate documentation is approved in writing by the Grants Officer. In accordance with 15 CFR § 27.118, if research involving human subjects is proposed after an award is made, the recipient or subrecipient (generally through the recipient) must contact the Federal Program Officer and provide required documentation. Notwithstanding this prohibition, work may be initiated or costs incurred and/or charged to the project for protocol or instrument development related to human subjects research.

j. Care and Use of Live Vertebrate Animals

Recipients and subrecipients must comply with the Laboratory Animal Welfare Act of 1966, as amended, (Pub. L. No. 89-544, 7 U.S.C. §§ 2131 *et seq.*) (animal acquisition, transport, care, handling, and use in projects), and implementing regulations (9 CFR Parts 1, 2, and 3); the Endangered Species Act (16 U.S.C. §§ 1531 *et seq.*); Marine Mammal Protection Act (16 U.S.C. §§ 1361 *et seq.*) (taking possession, transport, purchase, sale, export or import of wildlife and plants); the Nonindigenous Aquatic Nuisance Prevention and Control Act (16 U.S.C. §§ 4701 *et seq.*) (ensure preventive measures are taken or that probable harm of using species is minimal if there is an escape or release); and all other applicable statutes pertaining to the care, handling, and treatment of warm-blooded animals held for research, teaching, or other activities supported by Federal financial assistance. No research involving vertebrate animals is permitted under any DOC financial assistance award unless authorized by the Grants Officer.

k. Management and Access to Data and Publications

1. In General. The recipient and subrecipient acknowledges and understands that information and data contained in applications for financial assistance, as well as information and data contained in financial, performance and other reports submitted by recipients and subrecipients, may be used by DOC in conducting reviews and evaluations of its financial assistance programs. For this purpose, recipient and subrecipient information and data may be accessed, reviewed and evaluated by DOC employees, other Federal employees, Federal agents and contractors, and/or by non-Federal personnel, all of who enter into appropriate or are otherwise subject to confidentiality and nondisclosure agreements covering the use of

such information. Recipients and subrecipients are expected to support program reviews and evaluations by submitting required financial and performance information and data in an accurate and timely manner, and by cooperating with DOC and external program evaluators. In accordance with 2 CFR § 200.303(e), recipients and subrecipients are reminded that they must take reasonable cybersecurity and other measures to safeguard protected personally identifiable information and other confidential or sensitive personal or business information created or obtained relating to a DOC financial assistance award.

2. Scientific Data. Recipients and subrecipients must comply with the data management and access to data requirements established by the DOC funding agency as set forth in the applicable Notice of Funding Opportunity and/or in Specific Award Conditions.

3. Publications, Videos, and Acknowledgment of Sponsorship.

i. Publication of results or findings in appropriate professional journals and production of video or other media is encouraged as an important method of recording, reporting and otherwise disseminating information and expanding public access to federally-funded projects (*e.g.*, scientific research). Recipients and subrecipients must comply with the data management and access to data requirements established by the DOC funding agency as set forth in the applicable Notice of Funding Opportunity and/or in Specific Award Conditions.

ii. Recipients and subrecipients may be required to submit a copy of any publication materials, including but not limited to print, recorded, or Internet materials, to the funding agency.

iii. When releasing information related to a funded project, recipients and subrecipients must include a statement that the project or effort undertaken was or is sponsored by DOC and must also include the applicable financial assistance award number.

iv. Recipients and subrecipients are responsible for assuring that every publication of material based on, developed under, or otherwise produced pursuant to a DOC financial assistance award contains the following disclaimer or other disclaimer approved by the Grants Officer:

This [report/video/etc.] was prepared by [recipient or subrecipient name] using Federal funds under award [number] from [name of operating unit], U.S. Department of Commerce. The statements, findings, conclusions, and recommendations are those of the author(s) and do not necessarily reflect the views of the [name of operating unit] or the U.S. Department of Commerce.

I. Homeland Security Presidential Directive

If the performance of this DOC financial assistance award requires recipient or subrecipient personnel to have routine access to Federally-controlled facilities and/or Federally-controlled information systems (for purpose of this term "routine access" is defined as more than 180 calendar days), such personnel must undergo the personal identity

verification credential process. In the case of foreign nationals, DOC will conduct a check with U.S. Citizenship and Immigration Services' (USCIS) Verification Division, a component of the Department of Homeland Security (DHS), to ensure the individual is in a lawful immigration status and that he or she is eligible for employment within the United States. Any items or services delivered under a financial assistance award must comply with DOC personal identity verification procedures that implement Homeland Security Presidential Directive 12 (Policy for a Common Identification Standard for Federal Employees and Contractors), Federal Information Processing Standard (FIPS) PUB 201, and OMB Memorandum M-05-24. The recipient must ensure that its subrecipients and contractors (at all tiers) performing work under this award comply with the requirements contained in this term. The Grants Officer may delay final payment under an award if the subrecipient or contractor fails to comply with the requirements listed in the term below. The recipient must insert the following term in all subawards and contracts when the subaward recipient or contractor is required to have routine physical access to a Federally-controlled facility or routine access to a Federally-controlled information system:

The subrecipient or contractor must comply with DOC personal identity verification procedures identified in the subaward or contract that implement Homeland Security Presidential Directive 12 (HSPD-12), Office of Management and Budget (OMB) Guidance M-05-24, as amended, and Federal Information Processing Standards Publication (FIPS PUB) Number 201, as amended, for all employees under this subaward or contract who require routine physical access to a Federally-controlled facility or routine access to a Federally-controlled information system.

The subrecipient or contractor must account for all forms of Government-provided identification issued to the subrecipient or contractor employees in connection with performance under this subaward or contract. The subrecipient or contractor must return such identification to the issuing agency at the earliest of any of the following, unless otherwise determined by DOC: (1) When no longer needed for subaward or contract performance; (2) Upon completion of the subrecipient or contractor employee's employment; (3) Upon subaward or contract completion or termination.

m. Compliance with Department of Commerce Bureau of Industry and Security Export Administration Regulations

1. This clause applies to the extent that this financial assistance award encompasses activities that involve export-controlled items.

2. In performing this financial assistance award, a recipient or subrecipient may participate in activities involving items subject to export control (export-controlled items) under the Export Administration Regulations (EAR). The is responsible for compliance with all applicable laws and regulations regarding export-controlled items, including the EAR's deemed exports and re-exports provisions. The recipient and subrecipient must establish and maintain effective export compliance procedures at DOC and non-DOC facilities, including facilities located abroad, throughout performance of the financial assistance award. At a minimum, these export compliance procedures must include adequate restrictions on export-controlled items, to guard against any unauthorized exports, including in the form of

releases or transfers to foreign nationals. Such releases or transfers may occur through visual inspection, including technology transmitted electronically, and oral or written communications.

3. Definitions

i. Export-controlled items. Items (commodities, software, or technology), that are subject to the EAR (15 CFR §§ 730-774), implemented by DOC's Bureau of Industry and Security. These are generally known as "dual-use" items, items with a military and commercial application. The export (shipment, transmission, or release/transfer) of export-controlled items may require a license from DOC.

ii. Deemed Export/Re-export. The EAR defines a deemed export as a release or transfer of export-controlled items (specifically, technology or source code) to a foreign person (foreign national) in the U.S. Such release is "deemed" to be an export to the foreign person's most recent country of citizenship or permanent residency (*see* 15 CFR § 734.13(a)(2) & (b)). A release may take the form of visual inspection or oral or written exchange of information. See 15 CFR § 734.15(a). If such a release or transfer is made abroad to a foreign person of a country other than the country where the release occurs, it is considered a deemed re-export to the foreign person's most recent country of citizenship or permanent residency. See 15 CFR § 734.14(a)(2). Licenses from DOC may be required for deemed exports or re-exports. An act causing the release of export-controlled items to a foreign person (e.g., providing or using an access key or code) may require authorization from DOC to the same extent that an export or re-export of such items to the foreign person would. See 15 CFR § 734.15(b).

4. The recipient or subrecipient must secure all export-controlled items that it possesses or that comes into its possession in performance of this financial assistance award, to ensure that the export of such items, including in the form of release or transfer to foreign persons, is prevented, or licensed, as required by applicable Federal laws, E.O.s, and/or regulations, including the EAR.

5. As applicable, recipient and subrecipient personnel and associates at DOC sites will be informed of any procedures to identify and protect export-controlled items from unauthorized export.

6. To the extent the recipient or subrecipient wishes to release or transfer export-controlled items to foreign persons, the recipient or subrecipient will be responsible for obtaining any necessary licenses, including licenses required under the EAR for deemed exports or deemed re-exports. Failure to obtain any export licenses required under the EAR may subject the recipient or subrecipient to administrative or criminal enforcement. See 15 CFR part 764.

7. Nothing in the terms of this financial assistance award is intended to change, supersede, or waive the requirements of applicable Federal laws, E.O.s or regulations.

8. Compliance with this term will not satisfy any legal obligations the recipient or subrecipient may have regarding items that may be subject to export controls administered by other agencies such as the Department of State, which has jurisdiction over exports and re-exports of defense articles and services subject to the International Traffic in Arms Regulations (ITAR) (22 CFR §§ 120-130), including the release of defense articles to foreign persons in the United States and abroad.

9. The recipient must include the provisions contained in this term in all lower tier transactions (subawards, contracts, and subcontracts) under this financial assistance award that may involve research or other activities that implicate export-controlled items.

n. Prohibiting Oppressive Child Labor

Pursuant to the Fair Labor Standards Act (29 U.S.C. § 201 et seq.)), recipients, subrecipients, contractors, and subcontractors shall not employ any oppressive child labor.

"Oppressive child labor" means a condition of employment under which:

1. any employee under the age of 16 years is employed by an employer (other than a parent or a person standing in place of a parent employing his own child or a child in his custody under the age of 16 years in an occupation other than manufacturing or mining or an occupation found by the Secretary of Labor to be particularly hazardous for the employment of children between the ages of 16 and 18 years or detrimental to their health or well-being) in any occupation, or

2. any employee between the ages of 16 and 18 years is employed by an employer in any occupation which the Secretary of Labor shall find and by order declare to be particularly hazardous for the employment of children between such ages or detrimental to their health or well-being; but oppressive child labor shall not be deemed to exist by virtue of the employment in any occupation of any person with respect to whom the employer shall have on file an unexpired certificate issued and held pursuant to regulations of the Secretary of Labor certifying that such person is above the oppressive child-labor age.

The Secretary of Labor shall provide by regulation or by order that the employment of employees between the ages of 14 and 16 years in occupations other than manufacturing and mining shall not be deemed to constitute oppressive child labor if and to the extent that the Secretary of Labor determines that such employment is confined to periods which will not interfere with their schooling and to conditions which will not interfere with their health and well-being.

Exclusions. Exclusions to Prohibiting Oppressive Child Labor can be found at 29 USC § 213(c).

o. The Trafficking Victims Protection Act of 2000 (22 U.S.C. § 7104(g)), as amended, and the implementing regulations at 2 CFR Part 175

The Trafficking Victims Protection Act of 2000 authorizes termination of financial assistance provided to a private entity, without penalty to the Federal Government, if any recipient or subrecipient engages in certain activities related to trafficking in persons. DOC hereby incorporates the following award term required by 2 CFR § 175:

I. ***Trafficking in persons***.

a. ***Provisions applicable to a recipient that is a private entity***.

1. Under this award, the recipient, its employees, subrecipients under this award, and subrecipients' employees must not engage in:

i. Severe forms of trafficking in persons;

ii. The procurement of a commercial sex act during the period of time that this award or any subaward is in effect;

iii. The use of forced labor in the performance of this award or any subaward; or

iv. Acts that directly support or advance trafficking in persons, including the following acts:

(A) Destroying, concealing, removing, confiscating, or otherwise denying an employee access to that employee's identity or immigration documents;

(B) Failing to provide return transportation or pay for return transportation costs to an employee from a country outside the United States to the country from which the employee was recruited upon the end of employment if requested by the employee, unless:

(1) Exempted from the requirement to provide or pay for such return transportation by the Federal department or agency providing or entering into the grant or cooperative agreement; or

(2) The employee is a victim of human trafficking seeking victim services or legal redress in the country of employment or a witness in a human trafficking enforcement action;

(C) Soliciting a person for the purpose of employment, or offering employment, by means of materially false or fraudulent pretenses, representations, or promises regarding that employment:

(D) Charging recruited employees as a placement or recruitment fee; or

(E) Providing or arranging housing that fails to meet the host country's housing and safety standards.

2. The Federal awarding agency may unilaterally terminate this award or take any remedial actions authorized by 22 USC 7104b(c), without penalty, if any private entity under this award:

i. Is determined to have violated a prohibition in paragraph a.1 of this award term; or

ii. Has an employee that is determined to have violated a prohibition in paragraph a.1 of this award term through conduct that is either—

(A) Associated with performance under this award; or

(B) Imputed to the recipient or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension – (Nonprocurement)", as implemented by DOC at 2 CFR Part 1326 (Nonprocurement Debarment and Suspension).

b. ***Provision applicable to a recipient other than a private entity****. (1) We as the Federal awarding agency may unilaterally terminate this award or take any remedial actions authorized by 22 USC 7104b(c), without penalty, if a subrecipient that is a private entity under this award:*

i. Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or

ii. Has an employee that is determined to have violated a prohibition in paragraph a.1 of this award term through conduct that is either—

(A) Associated with performance under this award; or

(B) Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension – (Nonprocurement)", as implemented by DOC at 2 CFR Part 1326, (Nonprocurement Debarment and Suspension).

c. ***Provisions applicable to any recipient****.*

1. The recipient must inform the Federal agency and the Inspector General of the Federal Agency immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term.

2. The Federal Agency's right to unilaterally terminate this award as described in paragraph a.2 or b.1 of this section:

i. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and

ii. Is in addition to all other remedies for noncompliance that are available to the Federal agency under this award.

3. The recipient must include the requirements of paragraph a.1 of this award term in any subaward you make to a private entity.

4. If applicable, the recipient must also comply with the compliance plan and certification requirements in 2 CFR 175.105(b).

d. ***Definitions. For purposes of this award term****:*

Employee means either:

1. An individual employed by the recipient or a subrecipient who is engaged in the performance of the project or program under this award; or

2. Another person engaged in the performance of the project or program under this award and not compensated by the recipient including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.

Private entity means any entity, including for-profit organizations, nonprofit organizations, institutions of higher education, and hospitals. The term does not include foreign public entities, Indian Tribes, local governments, or states as defined in 2 CFR § 200.1.

The terms "severe forms of trafficking in persons," "commercial sex act," "sex trafficking," "Abuse or threatened abuse of law or legal process," "coercion," "debt bondage," and "involuntary servitude" have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. § 7102).

p. The Federal Funding Accountability and Transparency Act (FFATA) (31 U.S.C. § 6101 note)

1. **Reporting Subawards and Executive Compensation.** Under FFATA, recipients of financial assistance awards of $30,000 or more are required to report periodically on executive compensation and subawards, as described in the following term from 2 CFR Part 170, Appendix A, which is incorporated into this award:

Reporting Subawards and Executive Compensation

a. ***Reporting of first-tier subawards***

1. Applicability. Unless the recipient is exempt as provided in paragraph d. of this award term, the recipient must report each subaward that equals or exceeds $30,000 in Federal funds for a subaward to an entity or Federal agency.

The recipient must also report a subaward if a modification increases the Federal funding to an amount that equals or exceeds $30,000. All reported subawards should reflect the total amount of the subaward.

2. Reporting Requirements.

i. The entity or Federal agency must report each subaward described in paragraph a.1. of this award term to the Federal Funding Accountability And Transparency Act Subaward Reporting System (FSRS) at http://www.fsrs.gov.

ii. For subaward information, report no later than the end of the month following the month in which the subaward was issued. (For example, if the subaward was made on November 7, 2025, the subaward must be reported by no later than December 31, 2025.)

b. ***Reporting Total Compensation of Recipient Executives for entities***

1. Applicability. The recipient must report the total compensation for each of the recipient's five most highly compensated executives for the preceding completed fiscal year if:

i. the total Federal funding authorized to date under this Federal award equals or exceeds $30,000;

ii. in the preceding fiscal year, the recipient received:

(A) 80 percent or more of the recipient's annual gross revenues from Federal procurement contracts (and subcontracts) and Federal awards (and subawards) subject to the Transparency Act and

(B) $25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal awards (and subawards) subject to the Transparency Act; and,

iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. § 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986 after receiving this subaward. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at http://www.sec.gov/answers/execomp.htm.)

2. Reporting Requirements. The recipient must report executive total compensation described in paragraph b.1. of this award term:

i. As part of the recipient's registration profile found at the System for Award Management (SAM) website located at https://www.sam.gov.

ii. No later than the month following the month in which this award is made, and annually after that. (For example, if this Federal award was made on November 7, 2025, the executive total compensation must be reported no later than December 31, 2025.)

c. ***Reporting of Total Compensation of Subrecipient Executives.***

1. Applicability. Unless a first-tier subrecipient is exempt as provided in paragraph d. of this award term, the recipient must report the executive total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if:

i. The total Federal funding authorized to date under the subaward equals or exceeds $30,000;

ii. In the subrecipient's preceding fiscal year, the subrecipient received:

(A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal awards (and subawards) subject to the Transparency Act; and,

(B) $25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal awards (and subawards) subject to the Transparency Act; and

iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986 after receiving this subaward. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at http://www.sec.gov/answers/execomp.htm.).

2. Reporting Requirements. Subrecipients must report to the recipient their executive total compensation described in paragraph c.1. of this award term. The recipient is required to submit this information to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) at http://www.fsrs.gov no later than the end of the month following the month in which the subaward was made. (For example, if the subaward was made on November 7, 2025, the subaward must be reported no later than December 31, 2025).

d. ***Exemptions.***

1. A recipient with gross income under $300,000 in the previous tax year is exempt from the requirements to report: (i) Subawards, and (ii) The total compensation of the five most highly compensated executives of any subrecipient.

e. ***Definitions****. For purposes of this award term:*

Entity includes:

1. Whether for profit or nonprofit:

i. A corporation;

ii. An association;

iii. A partnership;

iv. A limited liability company;

v. A limited liability partnership;

vi. A sole proprietorship;

vii. Any other legal business entity;

viii. Another grantee or contractor that is not excluded by subparagraph (2) and;

ix. Any State or locality;

2. Does not include:

i. An individual recipient of Federal financial assistance; or

ii. A Federal employee

Executive means an officer, managing partner, or any other employee holding a management position.

Subaward has the meaning given in 2 CFR 200.1.

Subrecipient has the meaning given in 2 CFR 200.1

Total Compensation means the cash and noncash dollar value an executive earns during an entity's preceding fiscal year. This includes all items of compensation as prescribed in 17 CFR § 229.402(c)(2).

2. System for Award Management (SAM) and Universal Identifier Requirements -- as described in 2 CFR Part 25, Appendix A, which is incorporated into this award:

System for Award Management (SAM.gov) and Universal Identifier Requirements

a. ***Requirement for System for Award Management****.*

1. Unless exempt from this requirement under 2 CFR § 25.110, the recipient must maintain a current and active registration in SAM.gov. The recipient's registration must always be current and active until the recipient submits all final reports required under this Federal award or receives final payment, whichever is later. The recipient must review and update its information in SAM.gov at least annually from the date of its initial registration or any subsequent updates to ensure it is current, accurate, and complete. If applicable, this includes identifying the recipient's immediate and highest-level owner and subsidiaries and providing information about the recipient's predecessors that have received a Federal award or contract within the last three years.

b. ***Requirement for Unique Entity Identifier (UEI).***

1. If the recipient is authorized to make subawards under this Federal award, the recipient:

i. Must notify potential subrecipients that no entity may receive a subaward until the entity has provided its UEI to the recipient.

ii. Must not make a subaward to an entity unless the entity has provided its UEI to the recipient. Subrecipients are not required to complete full registration in SAM.gov to obtain a UEI.

c. ***Definitions****:*

For the purposes of this award term:

System for Award Management (SAM.gov) means the Federal repository into which a recipient must provide the information required for the conduct of business as a recipient. Additional information about registration procedures may be found in SAM.gov (currently at https://www.sam.gov).

Unique entity identifier means the universal identifier assigned by SAM.gov to uniquely identify an entity.

Entity is defined at 2 CFR § 25.400 and includes all of the following types as defined in 2 CFR 200.1:

1. *Non-Federal entity;*
2. *Foreign organization;*
3. *Foreign public entity;*
4. *Domestic for-profit organization; and*
5. *Federal agency.*

Subaward has the meaning given in 2 C.F.R § 200.1.

Subrecipient has the meaning given in 2 C.F.R § 200.1.

q. Recipient Integrity and Performance Matters (Appendix XII to 2 CFR Part 200)

Reporting of Matters Related to Recipient Integrity and Performance

1. General Reporting Requirement. If the total value of your active grants, cooperative agreements, and procurement contracts from all Federal agencies exceeds $10,000,000 for any period of time during the period of performance of this Federal award, then you as the recipient must ensure the information available in the responsibility/qualification records through the System for Award Management (SAM.gov) about civil, criminal, or administrative proceedings described in paragraph 2 of this award term and condition is current and complete. This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313). As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

2. Proceedings About Which You Must Report. Submit the information required about each proceeding that:

i. Is relating to the award or performance of a grant, cooperative agreement, or procurement contract from the Federal Government;

ii. Reached its final disposition during the most recent five-year period; and

iii. Is one of the following:

(A) A criminal proceeding that resulted in a conviction, as defined in paragraph 5 of this award term and condition;

(B) A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of $5,000 or more;

(C) An administrative proceeding, as defined in paragraph 5 of this award term and condition, that resulted in a finding of fault and liability and your payment of either

a monetary fine or penalty of $5,000 or more or reimbursement, restitution, or damages in excess of $100,000; or

(D) Any other criminal, civil, or administrative proceeding if:

I. It could have led to an outcome described in paragraph 2.c.(1), (2), or (3) of this award term and condition;

II. It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on your part; and

III. The requirement in this award term and condition to disclose information about the proceeding does not conflict with applicable laws and regulations.

3. Reporting Procedures. Enter in the SAM.gov Entity Management area the information that SAM.gov requires about each proceeding described in paragraph 2 of this award term and condition. You do not need to submit the information a second time under assistance awards that you received if you already provided the information through SAM.gov because you were required to do so under Federal procurement contracts that you were awarded.

4. Reporting Frequency. During any period when you are subject to the requirement in paragraph 1 of this award term and condition, you must report proceedings information through SAM.gov for the most recent five-year period, either to report new information about any proceeding(s) that you have not reported previously or affirm that there is no new information to report. Recipients that have Federal contract, grant, and cooperative agreement awards with a cumulative total value greater than $10,000,000 must disclose semiannually any information about the criminal, civil, and administrative proceedings.

5. Definitions. For purposes of this award term and condition:

i. Administrative proceeding means a non-judicial process that is adjudicatory in nature to make a determination of fault or liability (e.g., Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the Federal and State level but only in connection with performance of a Federal contract or grant. It does not include audits, site visits, corrective plans, or inspection of deliverables.

ii. Conviction, for purposes of this award term and condition, means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere.

iii. Total value of currently active grants, cooperative agreements, and procurement contracts includes:

(A) Only the Federal share of the funding under any Federal award with a recipient cost share or match; and

(B) The value of all expected funding increments under a Federal award and options, even if not yet exercised.

r. Never Contract with the Enemy (2 CFR Part 183; 2 CFR § 200.215)

Under 2 CFR § 200.215 (Never contract with the enemy) Federal agencies and recipients and subrecipients, are subject to the guidance implementing Never Contract with the Enemy in 2 CFR Part 183. The guidance affects covered contracts, grants, and cooperative agreements that are expected to exceed $50,000 during the period of performance, are performed outside the United States and its territories, and are in support of a contingency operation in which members of the Armed Forces are actively engaged in hostilities.

1. **Applicability.** This term applies only to recipients and subrecipients of covered grants or cooperative agreements, as defined in 2 CFR § 183.35 Definitions.

2. **Requirements.** As applicable, recipients and subrecipients must fulfill the requirements as described in the following terms from 2 CFR Part 183, Appendix A, which is incorporated into this award:

a. Term 1. Prohibition on Providing Funds to the Enemy.

1. The recipient must—

i. Exercise due diligence to ensure that none of the funds, including supplies and services, received under this grant or cooperative agreement are provided directly or indirectly (including through subawards or contracts) to a person or entity who is actively opposing the United States or coalition forces involved in a contingency operation in which members of the Armed Forces are actively engaged in hostilities, which must be completed through 2 CFR Part 180.300 prior to issuing a subaward or contract and;

ii. Terminate or void in whole or in part any subaward or contract with a person or entity listed in SAM as a prohibited or restricted source pursuant to subtitle E of Title VIII of the NDAA for FY 2015, unless the Federal awarding agency provides written approval to continue the subaward or contract.

2. The recipient may include the substance of this clause, including this paragraph (1), in subawards under this grant or cooperative agreement that have an estimated value over $50,000 and will be performed outside the United States, including its outlying areas.

3. The Federal awarding agency has the authority to terminate or void this grant or cooperative agreement, in whole or in part, if the Federal awarding agency becomes aware that the recipient failed to exercise due diligence as required by paragraph (1) of this clause or if the Federal awarding agency becomes aware that any funds received under this grant or cooperative agreement have been provided directly or indirectly to a person or entity who is actively opposing coalition forces involved in a contingency operation in which members of the Armed Forces are actively engaged in hostilities

b. Term 2. Additional Access to Recipient Records.

1. In addition to any other existing examination-of-records authority, the Federal Government is authorized to examine any records of the recipient and its subawards or contracts to the extent necessary to ensure that funds, including supplies and services, available under this grant or cooperative agreement are not provided, directly or indirectly, to a person or entity that is actively opposing United States or coalition forces involved in a contingency operation in which members of the Armed Forces are actively engaged in hostilities, except for awards awarded by the Department of Defense on or before Dec 19, 2017 that will be performed in the United States Central Command (USCENTCOM) theater of operations

2. The substance of this clause, including this paragraph (2), is required to be included in subawards or contracts under this grant or cooperative agreement that have an estimated value over $50,000 and will be performed outside the United States, including its outlying areas.

s. Prohibition on certain telecommunications and video surveillance equipment or services (Public Law 115-232, section 889; 2 CFR § 200.216)

(a) Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:

(1) Procure or obtain covered telecommunications equipment or services;
(2) Extend or renew a contract to procure or obtain covered telecommunications equipment or services; or
(3) Enter into a contract (or extend or renew a contract) to procure or obtain covered telecommunications equipment or services.

(b) As described in Public Law 115-232, section 889, "covered telecommunications equipment or services" means any of the following:

(1) Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities;

(2) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities;

(3) Telecommunications or video surveillance services provided by such entities or using such equipment.

(4) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National

Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

(c) For the purposes of this section, "covered telecommunications equipment or services" also include systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

(d) In implementing the prohibition under section 889 of Public Law 115-232, heads of executive agencies administering loan, grant, or subsidy programs must prioritize available funding and technical support to assist affected businesses, institutions, and organizations as is reasonably necessary for those affected entities to transition from covered telecommunications equipment or services, to procure replacement equipment or services, and to ensure that communications service to users and customers is sustained.

(e) When the recipient or subrecipient accepts a loan or grant, it is certifying that it will comply with the prohibition on covered telecommunications equipment and services in this section. The recipient or subrecipient is not required to certify that funds will not be expended on covered telecommunications equipment or services beyond the certification provided upon accepting the loan or grant and those provided upon submitting payment requests and financial reports.

(f) For additional information, see section 889 of Public Law 115-232 and 2 CFR § 200.471.

t. Cargo Preference Act of 1954 – 46 USC section 55305

If applicable to this award, recipients and subrecipients must comply with the requirements of the Cargo Preference Act of 1954 (CPA), codified at 46 U.S.C. 55305, and promulgated by regulation under 46 CFR parts 381 and 382. The CPA requires that at least 50% of cargoes procured, furnished, or financed by the U.S. Government, which may be transported on ocean vessels, are transported on privately-owned U.S. commercial vessels, to the extent those vessels are available at fair and reasonable rates.

u. Federal Financial Assistance Planning During a Funding Hiatus or Government Shutdown

This term sets forth initial guidance that will be implemented for Federal assistance awards in the event of a lapse in appropriations, or a government shutdown. The Grants Officer may issue further guidance prior to an anticipated shutdown.

1. Unless there is an actual rescission of funds for a specific obligation, non-Federal entities under Federal financial assistance awards for which funds have been obligated generally will be able to continue to perform and incur allowable expenses under the award during a funding hiatus. Non-Federal entities are advised that ongoing activities by Federal employees involved in financial assistance award administration (including payment processing) or similar operational and administrative work cannot continue when there is a funding lapse.

Therefore, there may be delays, including payment processing delays, in the event of a shutdown.

2. All award actions will be delayed during a government shutdown; if it appears that a non-Federal entity's performance under a grant or cooperative agreement will require agency involvement, direction, or clearance during the period of a possible government shutdown, the Program Officer or Grants Officer, as appropriate, may attempt to provide such involvement, direction, or clearance prior to the shutdown or advise non-Federal entities that such involvement, direction, or clearance will not be forthcoming during the shutdown. Accordingly, non-Federal entities whose ability to withdraw funds is subject to prior agency approval, which in general are non-Federal entities that have been designated high risk, non-Federal entities under construction awards, or are otherwise limited to reimbursements or subject to agency review, will be able to draw funds down from the relevant Automatic Standard Application for Payment (ASAP) account only if agency approval is given and coded into ASAP prior to any government shutdown or closure. This limitation may not be lifted during a government shutdown. Non-Federal entities should plan to work with the Grants Officer to request prior approvals in advance of a shutdown wherever possible. Non-Federal entities whose authority to draw down award funds is restricted may decide to suspend work until the government reopens.

3. The ASAP system should remain operational during a government shutdown. Recipients that do not require any Grants Officer or agency approval to draw down advance funds from their ASAP accounts should be able to do so during a shutdown. Unless otherwise provided by the terms and conditions of the DOC award, the 30-day limitation on the drawdown of advance funds will still apply notwithstanding a government shutdown (see Section B.02.b.1 of these terms).

Title: Dump Truck Procurement Authorization
Submitted By: Gary Abrams, Maintenance Manager
Authorized By: James I. Fetzer, General Manager

Factsheet: 2025-038
Date: June 18, 2025

Background
Clallam Transit System (CTS) has a vehicle replacement schedule established in our Transit Asset Management Plan (TAMP). Our current 2007 Dodge dump truck with snowplow is scheduled for replacement as it has exceeded its useful life benchmark.

Discussion
We have requested and received quotes from vendors in Washington and Pennsylvania. The most cost-effective quote was received from Kendall Chevrolet of Marysville, Washington. This vehicle type is unavailable on the Department of Enterprise Services (DES) contract therefore requiring procurement through another source. We are seeking Board authorization for the procurement of one 2024 or 2025 dump truck.

Recommended Action
Move to authorize the CTS general manager by CTS Motion No. M17:2025 to procure one 2024 or 2025 dump truck with a total procurement spending authority not to exceed $100,000, including taxes and licensing, and to execute all necessary contract agreements and procurement documents related to the procurement of the vehicle.

Attachments
None.

Passed and adopted by the Board at a regular meeting by CTS Motion No. M17:2025 thereof this 18th day of June 2025.

_____
Mark Ozias, Board Chairperson

Approved as to content:

_____
James I. Fetzer, General Manager

Attest:

_____
Barb Cox, Clerk to the Board

Orig: Vehicle Procurement File
Cc: March 2024 Board Meeting Packet

Title: Board Member Brendan Meyer – Resignation
Submitted By: James I. Fetzer, General Manager
Authorized By: N/A

Factsheet: 2025-043
Date: June 18, 2025

Background

City of Port Angeles Council Member Brendan Meyer has submitted his resignation from the Clallam Transit System (CTS) Board effective June 19, 2025, with his last board meeting being June 18, 2025.

Discussion

Brendan Meyer has served the transit community as a CTS Board Member since 2020. Brendan has served on various committees and not only as a Board member, but also as the Board Chairperson and Board Vice-chairperson. Brendan has provided his expertise, sound judgment, and lightheartedness to the CTS Board over the past five years, and he will be missed.

Recommended Action

Move to authorize by CTS Motion No. M18:2025, to accept CTS Board Member Brendan Meyer's resignation effective June 19, 2025, as presented.

Attachments

None.

Passed and adopted by the Board at a regular meeting by CTS Motion No. M18:2025 thereof this 18th day of June 2025.

_____
Mark Ozias, Board Chairperson

Approved as to Content:

_____
James I. Fetzer, General Manager

Attest:

_____
Barb Cox, Clerk to the Board

CLALLAM TRANSIT SYSTEM

2025-2030 TRANSIT DEVELOPMENT PLAN

Public Hearing: August 27, 2025
Date Approved: August 27, 2025
Approved by Resolution: No. RX:2025

830 West Lauridsen Boulevard
Port Angeles, Washington 98363

360-452-4511
info@clallamtransit.com
www.clallamtransit.com

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DRAFT

SECTION 1: INTRODUCTION

Purpose

In accordance with RCW 35.58.2795, Clallam Transit System (CTS) has prepared this Transit Development Plan (TDP) for 2025 through 2030. This planning document provides the framework for guiding services to be provided in the current and next five years, as well as a review of the activities and accomplishments in 2024. This plan is a tool to communicate planning strategies to the public and is used within the agency to identify funding sources and procurement needs to create a viable financial plan. It is also used to update the Peninsula Regional Transportation Planning Organization (PRTPO) Plan and Washington State's Transportation Improvement Plan.

The TDP conforms to Washington State's Transportation Policy Goals (RCW 47.04.280) and supports local comprehensive planning and economic objectives within Clallam County, this agency, and the regional transportation goals established through the PRTPO.

Invitation to the Public

The public is encouraged to consider and provide feedback on this TDP. The public hearing to hear comments is scheduled during the regular meeting of the CTS Board on Wednesday, August 27, 2025, beginning at 12:00 p.m. The meeting will be held virtually at 253-215-8782, meeting ID 585 1027 6869 and in person at the CTS Main Facility, 830 West Lauridsen Boulevard, Port Angeles, Washington 98363. General public comment is welcomed throughout the year at scheduled meetings or in writing. Reasonable accommodations will be provided in accordance with the Americans with Disabilities Act (ADA) and Chapter 49.60 RCW, Discrimination Human Rights Commission. upon request. Please contact CTS to make accommodation arrangements.

Adoption

The TDP is updated and presented to the CTS Board for consideration and approval no later than August 31st annually. It may be amended, as necessary, to reflect funding amendments and changing service needs or objectives. Upon adoption by the board, the TDP will be available at www.clallamtransit.com and will be submitted to the Washington State Department of Transportation (WSDOT).

New Interlink and Clallam Connect vehicles

SECTION 2: PLAN OVERVIEW

Service

This plan demonstrates expanding service levels while continuing to emphasis financial sustainability. The operating financial forecast assumes continued state and federal operating grant funding. CTS is positioned to consider sustainable expansion of current service levels. The completion of the comprehensive operational analysis (COA) in 2021 produced service recommendations providing the groundwork for future CTS service improvements. The first

layer of improvements identified in the COA known as Interlink microtransit, was implemented in December of 2022. The implementation of microtransit service in the cities of Forks and Sequim has proven to be quite successful with substantial ridership growth and rider satisfaction remains at a high level. A layer of improvements has been targeted for future implementation that includes route realignments and service efficiencies that provide improved service frequencies and later service on key routes. It has not been possible to implement these improvements due to post pandemic staffing challenges and scheduling software needs. With the steady improvements shown in recruiting and staffing and the procurement of scheduling software these improvements are anticipated to be implemented by early 2026.

Customers

One-time capital improvements offer a means of reducing operating costs, increasing service reliability, and improving the customer's experience. Customer enhancements to grow ridership include evaluating or adjusting routes/schedules to optimize services, upgrading amenities (emphasizing mobility, safety, and lighting), expanding multi-modal connections, improved way finding (signage), and upgrading passenger waiting structures. In 2020, CTS launched automatic vehicle location (AVL) equipment that expanded data collection capabilities and allowed for improving operational oversight and public communications. A key improvement for customers was the implementation of a real time bus application that enable customers to see the exact location of their bus, eliminating the uncertainty of where the bus is eliminating excessive time at bus stops. The implementation of Interlink microtransit services in Forks and Sequim, in December of 2022, allowed customers to schedule real-time rides in designated service areas up to two hours in advance, providing curb to curb service to further enhance the customers mobility choices.

More recent improvements include the implementation of an automated texting system alerting customers of real time route changes, route detours, and route delays. Customers are now able to sign up for rider alerts for the routes of their choice.

CTS has made significant progress in replacing aging capital equipment including fixed route buses, paratransit vans, and rideshare vehicles. As a result, the CTS bus fleet is in currently in good condition, providing customers with more comfortable and reliable vehicles. In 2024 and 2025, four new fixed route buses were placed in service, as well as ten new paratransit vans. New, larger Interlink vans were placed in service in early 2025 improving the service for microtransit customers. Additionally, twelve new rideshare vans were placed in service in 2024.

The CTS Board implemented a one-year zero-fare pilot program effective January 1, 2024. Due to the many positive outcomes of this pilot the Board has adopted a zero-fare policy for its services effective January 1, 2025, excluding the Strat Shot and Hurricane Ridge seasonal services, and all Clallam Connect services outside of the ¾ of fixed-route services. The elimination of fares has been instrumental in removing a major barrier for transportation in Clallam County, especially for individuals with limited financial means, resulting in a ridership surge. Fixed route ridership grew by 29.8% during the zero-fare pilot year in 2024.

Interlink van

Asset Management

CTS proactively maintains all assets to the highest of standards to gain the most useful life and continues to adhere to the vehicle replacement schedule based on CTS's established useful life benchmark for vehicle replacement. Public transit naturally provides an opportunity for the public to reduce greenhouse gases by choosing transit over the use of personal vehicles. While public transit does lower greenhouse gas emissions by lowering single occupant vehicle trips, CTS will make efforts to further reduce greenhouse gas emissions by evolving to zero-emission vehicles when available and feasible. The plan also reflects the implementation and procurement of infrastructure for supporting zero-emission fleet vehicles.

SECTION 3: GOALS AND VALUE STATEMENTS

Washington State Transportation Policy Goals

The basis for the TDP derives from several founding resources, beginning with Washington State Transportation Policy Goals, RCW 47.04.280, which are as follows:

1) ***Economic Vitality***: *To promote and develop transportation systems that stimulate, support, and enhance the movement of people and goods to ensure a prosperous economy.*
2) ***Preservation***: *To maintain, preserve, and extend the life and utility of prior investments in transportation systems and services.*
3) ***Safety***: *To continuously improve upon safety and security of our customers and the entire system.*
4) ***Mobility***: *To improve upon and/or expand local and regional transportation choices to include the efforts and planning of multiple partners.*
5) ***Environment***: *To enhance Washington's quality of life through transportation investments that promote energy conservation, enhance healthy communities, and protect the environment.*
6) ***Stewardship***: *To continuously improve the quality, effectiveness, and efficiency of the transportation system.*

CTS Values Statements

From these goals, CTS has developed values statements that serve as the guiding principles of how we do business. As an organization and as individual employees, we care about the quality of life in our region, which we promote and enhance by respecting:

Denny Goudie, Fixed route Operator
2024 Employee of the Year

- ***Customers*** – *Provide a high level of courtesy and professionalism to the customer through clean, safe, accessible, reliable, and interconnected countywide public transportation services.*
- ***Employees*** – *Value our employees and work culture through fair hiring and treatment, well-supported benefits, and ongoing training.*
- ***Public Trust*** – *Ensure an efficient and effective delivery of services through a conservative approach to managing our resources and budgeting for the future.*
- ***Future Generations*** – *Seek and educate future customers about our services and adapting to the latest forms of communication and technology.*
- ***Environment*** – *Explore and implement sustainable alternative fuel sources and energy conservation opportunities.*

CTS Comprehensive Plan

In 2019, CTS adopted a long-term comprehensive transit plan, ***Connecting Clallam***, which provides guidance in decisions that shape the future of public transportation in our region. This plan aligns with our state's transportation policy goals and our own value statements serving as a key resource for the development of this planning document.

SECTION 4: ORGANIZATIONAL HISTORY AND STRUCTURE

Origin

The Clallam County Public Transportation Benefit Area (PTBA), with the trade name Clallam Transit System (CTS), was formed on July 24, 1979. Following the formation of the PTBA, the voters of Clallam County subsequently approved sales tax collection not to exceed 0.3 percent (0.3%) of one cent ($0.01) to fund public transportation services provided by CTS.

On October 13, 1980, CTS began its operations with a fleet of twelve, 22-passenger vehicles serving 10 routes. In 1981, paratransit operations began through contracted services to meet the needs of Clallam County's disabled and elderly populations. In 1984, the west end of the county, Forks, La Push, Clallam Bay, Sekiu, and Neah Bay, were annexed into the PTBA.

In 2000, after the elimination of the state motor vehicle excise tax (MVET), voters approved an additional 0.3 percent (0.3%) of one cent ($0.01) to replace the lost revenue from the MVET and establish necessary revenue to continue the provision of critical public transportation services provided by CTS. In 2011, CTS assumed operations of paratransit services. On October 13, 2020, CTS celebrated 40 years of service.

Today

CTS provides service through 13 fixed routes, two microtransit routes, and complimentary demand-response services, with a fleet of approximately 100 vehicles and 100 employees, serving over 77,000 county residents throughout the 1,738 square miles of Clallam County. CTS maintains over 60 bus shelters, five park-and-ride lots, and three transfer centers. In 2017, CTS expanded with a regional service to the Bainbridge Island Ferry Terminal and in 2021 added an additional trip each day to this successful regional route, the Strait Shot Route 123. CTS also established seasonal fixed-route service to Hurricane Ridge National Park in 2022. CTS enhanced the prior year's transit service to the park for the 2023 season, allowing more visitors access to this popular destination without an automobile. This service has proven to be extraordinarily popular. The shuttle transported 8,277 customers in 2024.

Passenger boarding CTS bus at Hurricane Ridge

Composition

CTS is organized into four departmental areas: operations, maintenance, finance, and administrative services, with the CTS General Manager serving as the chief executive officer. CTS is governed by a board of eight elected officials and one non-voting labor representative. CTS retains legal counsel that is responsive to the CTS General Manager and the CTS Board. The membership of the board is as follows:

- Two Clallam County Commissioners
- Two officials of the City of Port Angeles
- One union representative (non-voting board member)
- Two officials of the City of Forks
- Two officials of the City of Sequim

As required by statute, representatives from each jurisdiction completed the CTS board composition conference on May 15, 2024. No changes were made to the existing bord composition.

Meetings

CTS conducts open public board meetings at the CTS main facility in accordance with the adopted meeting schedule for the upcoming year. Additional meetings may be scheduled, as necessary. The board meeting schedule can be located on the CTS website. Employees and the public are encouraged to attend. Hybrid meetings continue to be offered for participation convenience.

New wrapped bus featuring Olympic Peninsula Mountain range.

2025 BOARD MEMBERS

Lindsey Schromen-Wawrin, Councilmember City of Port Angeles

Jeff Gingell, Councilmember City of Forks

Kelly Burger, Councilmember City of Sequim

Brendan Meyer, Councilmember City of Port Angeles

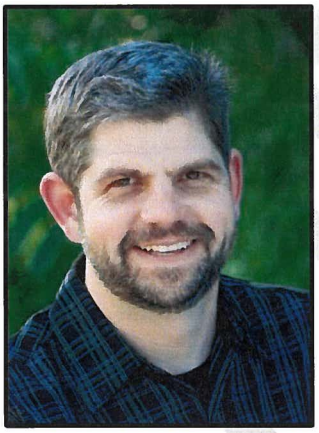
Clint Woods, Councilmember City of Forks

Rachel Anderson, Councilmember City of Sequim

Mike French, Commissioner Clallam County

Mark Ozias, Commissioner Clallam County

Rick Burton, Representative (non-voting), Amalgamated Transit Union Local 587



Mark Ozias
2025 CTS Board Chairperson

LEADERSHIP TEAM

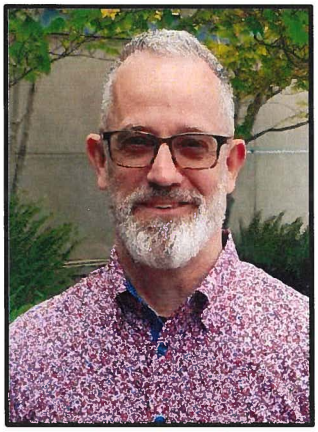
Jim Fetzer
General Manager

Jason McNickle
Operations Manager

Gary Abrams
Maintenance Manager

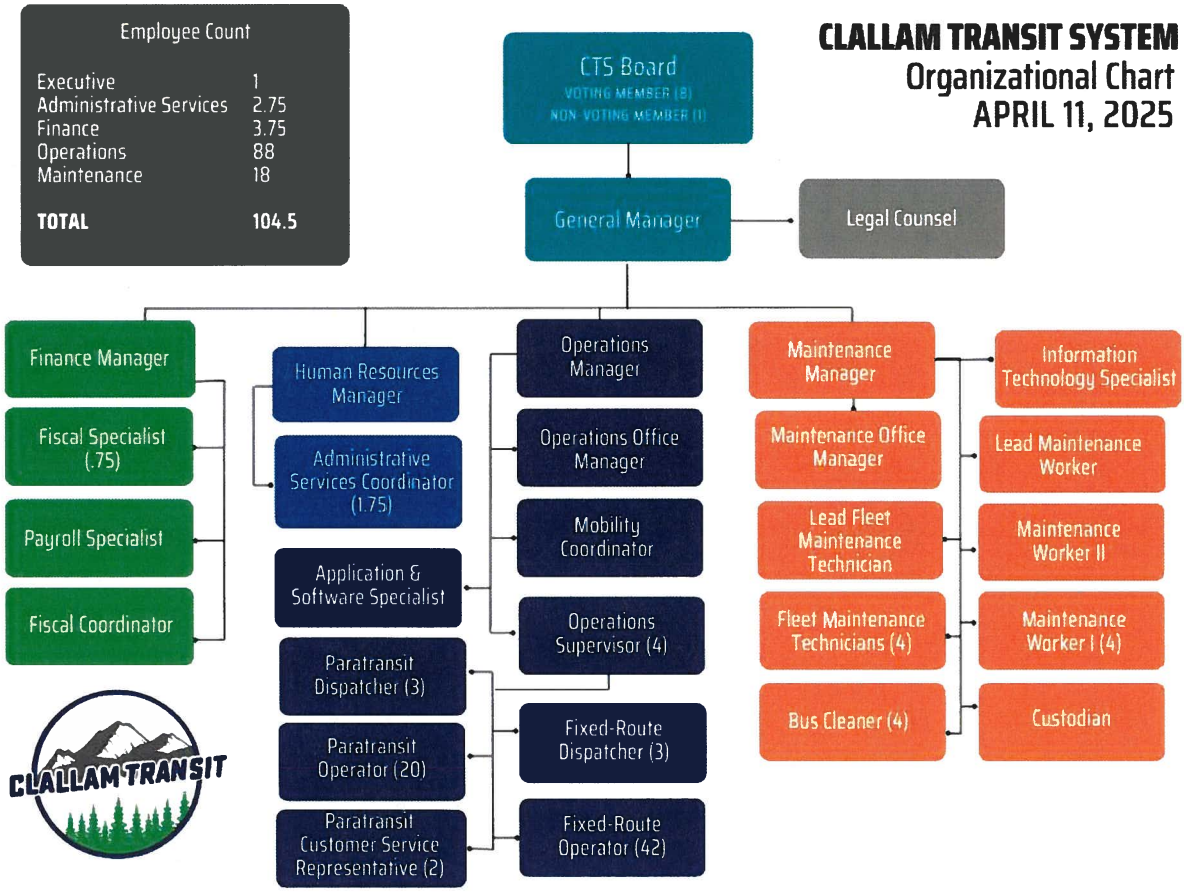
Cherie Huxtable
Finance Manager

Barb Cox
Human Resources Manager



Jason McNickle
CTS Acting General Manager

SECTION 5: ORGANIZATIONAL CHART



SECTION 6: PHYSICAL PLANT

CTS has administrative and operations offices at 830 West Lauridsen Boulevard, Port Angeles, Washington.

CTS Main Facility – Operations and Administrative Offices

The maintenance facility is located on the property at 4100 South Tumwater Truck Route, Port Angeles, Washington.

CTS Bus Yard

A multi-use transportation center and light maintenance facility, leased from the Quillayute Valley School District, located in Forks. CTS has a multi-use transportation facility in Sequim used by CTS, Jefferson Transit Authority, and the City of Sequim, as well as the multi-use Gateway Transit Center in Port Angeles, served by local and regional services provided by CTS and the Dungeness Line.

CTS maintains over 160 bus stops, including 61 stops with passenger waiting shelters (Appendix A).

SECTION 7: SERVICE CHARACTERISTICS

CTS provides fixed-route, microtransit, paratransit, dial-a-ride, and rideshare services throughout Clallam County.

Fixed-route Service

Fixed route service includes 12 weekday routes between 5:13 a.m. and 10:13 p.m., 10 Saturday routes between 7:00 a.m. and 8:59 p.m., and two Sunday routes between 8:05 a.m. and 8:10 p.m. Additionally, one seasonal fixed route is provided to Hurricane Ridge. Two microtransit routes are provided on weekdays between 6:30 a.m. to 5:15 p.m. and on Saturdays between 8:25 a.m. and 4:40 p.m. The routes link the cities, unincorporated areas, and tribal nations in Clallam County. The Strait Shot 123 service connects Port Angeles and Sequim with Poulsbo and the Bainbridge Island Ferry Terminal in Kitsap County. The system map in Appendix B shows the extent of the service area. The most recent service expansion includes one additional trip to the National Park Service Hurricane Ridge area on the CTS seasonal service for a total of nine daily trips.

Four new buses featuring eight different eye-catching photos

Paratransit Service – Clallam Connect

CTS provides wheelchair accessible, origin-to-destination paratransit (PT) service, with assistance for elderly and disabled persons who are unable to use fixed-route service. Within ¾-mile of fixed routes, service is provided at no fare to registered customers. In other areas of Clallam County, PT service can be arranged in advance, based on a fee for each mile beyond the ¾-mile ADA paratransit boundary.

Dial-a-Ride Service

Dial-a-ride service is provided to the public in the Dungeness Valley area, north of Highway 101, east of the junction with Old Olympic Highway, and west of Blake Avenue in Sequim.

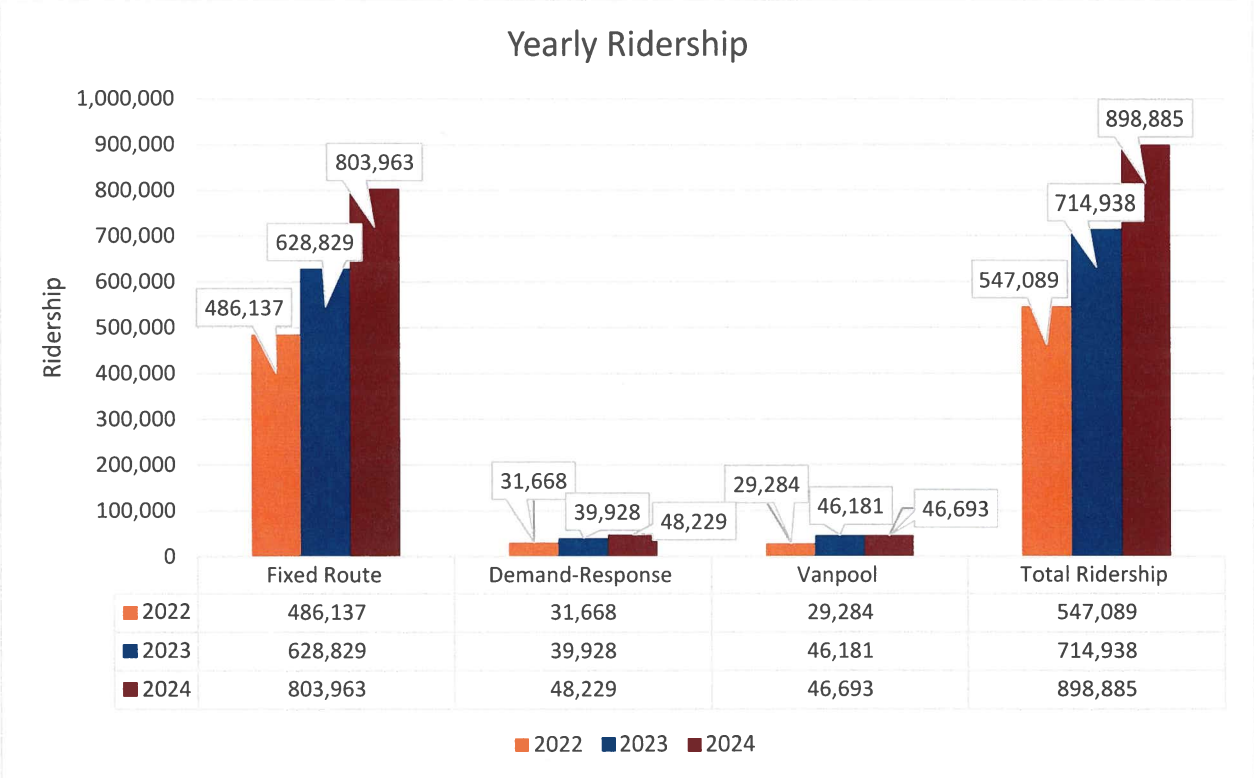
Rideshare

CTS rideshare groups operate up to seven days a week departing from Port Angeles and Forks to the Clallam Bay and Olympic Corrections Centers, Coast Guard stations at La Push and Neah Bay, and to various employers in Clallam and Jefferson Counties. Each rideshare group sets its own schedule and pays a monthly fee to contribute toward the cost of operating and maintaining the vehicle and drivers' safety training, which is supplied and supported by CTS. At the time of this document update, there are a total of 20 established rideshare groups, with a waiting list for additional groups.

SECTION 8: RIDERSHIP

Ridership

Annual unlinked passenger trips for the 12 months ending in December are as follows:



	Fixed Route	Demand-Response	Vanpool	Total Ridership
2022	486,137	31,668	29,284	547,089
2023	628,829	39,928	46,181	714,938
2024	803,963	48,229	46,693	898,885

SECTION 9: FARE STRUCTURE

On January 1, 2025, CTS implemented zero-fare on most routes, excluding Strait Shot 123, Hurricane Ridge Shuttle, and paratransit rides that are more than ¾ mile from fixed routes. Zero-fare has produced increased transit ridership, become a more viable and affordable travel option, and provided transportation alternatives during high-traffic times on the Olympic Peninsula.

HURRICANE RIDGE SHUTTLE	
Base Adult	$1.00
Base Reduced (Regional Reduced Fare Permit (RRFP) required)	$0.50
Youth (0-18 years)	$0
Veterans (CTS Veterans Pass required)	$0
PREMIUM ROUTE - Route No. 123	
Adult	$10.00
RRFP	$5.00
Youth (0-18 years)	$0
Veterans	$0
DEMAND-RESPONSE	
Base Paratransit (within ¾-mile of fixed routes)	$0
Premium Paratransit (each additional mile or fraction thereof) for each mile outside of ¾-mile corridor	$3.75
Dial-a-ride Adult	$0
Dial-a-ride RRFP	$0
Veterans	$0
Youth (0-18 years)	$0

PENINSULA COLLEGE

Peninsula College (PC) students actively enrolled in credit-earning Peninsula College classes ride fare free by presenting a current student identification.

SECTION 10: SERVICE CONNECTIONS

CTS connects with Jefferson Transit Authority (JTA) at the Sequim Transit Center for service to eastern Jefferson County and at the Forks Transit Center for service to western Jefferson County. CTS contributes annually to JTA's Olympic Loop Connection service between Forks and Amanda Park in Gray's Harbor County. CTS also links with JTA's paratransit trips when they can be integrated into CTS's fixed-route system. Beginning June 17, 2017, CTS implemented service from Port Angeles and Sequim to Bainbridge Island located in Kitsap County. Additional service on this important regional connection was added on August 15, 2021. This regional Strait Shot 123 express service makes this connection three times daily, Monday through Saturday, and twice on Sunday. This route provides an important connection from Port Angeles and Sequim to the Bainbridge Island Ferry terminal, allowing for enhanced access to and from the Seattle area. Connections with other transit agencies may be made at Discovery Bay (JTA), North Viking Transit Center (JTA and Kitsap Transit [KT]), SR 305 and Suquamish Way (KT), and Bainbridge Island Ferry Terminal (KT and Washington State Ferries). CTS is working with JTA to develop a park and ride at the site of the Olympic Peninsula Visitors Center located at Highway 104 and Beaver Valley Road in Port Ludlow. This will allow for a needed connection between the CTS Strait Shot that travels between Port Angeles

and the Bainbridge Ferry Terminal, and JTA's Kingston Express that provides service between Port Townsend and the Kingston Ferry Terminal. This connection will allow for access to both the Kingston and Bainbridge Ferry terminals for patrons of JTA and CTS.

CTS coordinates service with area tribal nation transportation planners to establish connections with Makah Transit in Neah Bay, Quileute Community Shuttle, Forks and La Push, Lower Elwha Transit in Port Angeles, and with Jamestown S'Klallam for contracted service to Blyn and the Jamestown Campus.

Service is provided to the major employment centers and public schools in the CTS service area, as well as to the Peninsula College campus and satellite facilities in Port Angeles, Sequim, and Forks.

CTS provides service to seven park-and-ride lots: US101 at Deer Park Rest Stop, US112 at Peters Road, US101 at Laird's Corner, US101 at Sappho, Sequim Transit Center, Gateway Transit Center, and Forks Transit Center.

SECTION 11: ACTION STRATEGIES

Along with goals and values listed in Section 3, the following action strategies provide a framework for long-term planning as well as a measurement tool for our actions and accomplishments.

Service

- Ongoing evaluation of the CTS service structure to meet current and future ridership needs given financial opportunities and constraints.
- Continued implementation of selected route alterations or expansions based on the results of the 2021 Comprehensive Operational Analysis.
- Consider expansion of microtransit service in urban areas that are not conducive to traditional fixed route services.
- Consider late night and Sunday service in urban areas with a combination of fixed route and microtransit services.
- Consider enhanced Strait Shot service with the opening of the park and ride at US104 and Beaver Valley Road. This park and ride will provide regional connections with Kitsap and Jefferson Transit agencies to the Bainbridge and Kingston ferry terminals.
- Restructure paratransit trips scheduling procedures by incorporating technology to maximize efficiency.
- Collaborate with groups, businesses, and other agencies to evaluate and improve multi-modal transportation, assist with transportation gaps, and support transportation initiatives.
- Promote ridership increases through improving the customer experience.
- Promote ridership increases through marketing.
- Implement technological improvements to enhance transit service for customers and service delivery.
- Continue to refine a mobility management program to train and promote CTS services.
- Monitor the revised rideshare program and consider alternative style vehicles to promote user increases.
- Procure and implement alternatively fueled/zero emission vehicles as practical.
- Consider and implement technologies that attract ridership and increase passenger convenience.
- Evaluate opportunities to serve high demand destinations to mitigate automobile traffic and allow more visitors to popular destinations that include LaPush beaches, Rialto Beach, and the Hoh Rain Forest.

Asset Management

- Maximize grants as funding sources allow for asset additions and replacements. All purchases will be fully funded, and debt will not be used as a funding source.
- Seek grant opportunities for replacement of revenue vehicles that have met their useful life.
- Utilize an asset replacement schedule and capital reserve to accumulate funds for future asset purchases.
- Prioritize the capital reserve to ensure adequate annual funding contributions to sustain the reserve.

- Pursue new practicable technologies, alternative fuels, and zero-emission vehicles contingent upon financial opportunities.
- Investigate and integrate new technologies into the CTS fleet.
- Consider and implement cost-effective energy conservation projects intended to reduce operating and maintenance costs.
- Participate in partnerships with WSDOT, Clallam County, the cities of Port Angeles, Sequim, Forks, Olympic National Park/Western Federal Lands, and other groups to plan and implement public works projects and transit friendly development.

Employees

- Conduct ongoing staffing analyses on operational needs to identify appropriate staffing levels.
- Ensure employee training is timely, meaningful, and appropriate. Emphasize employee development and succession planning.
- Promote safe work practices and employee personal responsibility for safe working conditions.
- Encourage employee personal emergency response preparedness.
- Promote positive morale and a collaborative working relationships within CTS and with external stakeholders.
- Provide competitive compensation and benefit levels.

Administration

- Improve efficiency and maximize use of limited revenues.
- Review, update, and implement policies to reflect current laws, regulations, and organizational direction, in a timely manner.
- Maintain financial flexibility by maximizing grants to acquire capital assets and not incur debt.
- Collaborate with groups, businesses, and other agencies for emergency preparedness.
- Plan and adopt budgets which reflect long-term forecasting and financial sustainability.

SECTION 12: 2024 ACTIONS AND ACCOMPLISHMENTS

Actions and accomplishments completed in 2024 are as follows:

Service

- Implemented Zero Fare on fixed route and paratransit services.
- Provided seasonal service to Hurricane Ridge
- Awarded the 2024 Safety Star Award from the Washington State Transit Insurance Pool (WSTIP) for the safest mid-sized transit system. This was the fourth year in a row that CTS has received the award.
- Assisted and financially supported a downtown resource officer housed at the Gateway Transit Center.
- Improved fixed-route trip scheduling through enhanced route planning software.
- Installed a new high-definition security camera system at all transit centers and at the CTS main facility.
- Rebranded the paratransit and microtransit fleet with updated exterior graphics.
- Completed four bus wraps promoting tourism in the region with artwork from local photographers depicting wildlife and regional landscape scenes.

Asset Management

- Performed a surplus auction and sale of several vehicles retired from service. All vehicle sales were conducted through Public Surplus Auction services.
- Continued aggressive grant application process for replacement of five fixed-route vehicles and five paratransit vehicles through the State Bus and Bus Facilities grant program.
- Received and placed in service four 40-foot heavy-duty clean diesel buses through the State Bus and Bus Facilities program.
- Received and placed in service 12 new rideshare vans.

- Received and placed in service five new Interlink vans.
- Received and placed in service 10 paratransit vans.
- Implemented a telematics program to better monitor the rideshare program enhancing safe driving practices.
- Replaced bus yard entrance gates.
- Repaired and sealed admin facility lot.
- Exterior paint at Forks and Sequim Transit Centers.
- Replaced 6 bus shelters.
- Replaced shop forklift.

Employees

- Awarded employee of the quarter and employee of the year selections and recognitions.
- Hired 21 new employees, eight paratransit operators, one bus cleaner, and 12 fixed-route transit operators.
- Maintained adequate staffing levels increasing operator staffing levels to meet demand.
- Increased paratransit dispatcher by one to meet departmental needs.
- Implemented a new systemwide financial, HR, payroll, and operations software management system

Administration

- Successful completion of Washington State Auditor's Office federal single, financial statement, and accountability audits.
- Completed multiple statutory and administrative policy revisions.
- Installed new phone system at CTS.
- Applied for Regional Mobility funding to support four years operation of the Strait Shot service and Route 16, Neah Bay.
- Applied for and received funding for 12 rideshare vans through the WSDOT Rideshare Program.
- Updated the Clallam Transit System Americans with Disabilities Act (ADA) plan.
- Implemented new company wide financial management software system.
- Acquired a new fixed route run-cutting program.

SECTION 13: SUMMARY OF PLANNED ACTIONS 2025-2030

2025	Preservation	Improvement
Service	Procure new fixed route scheduling software system.	Implement seasonal service to Olympic National Park/Hurricane Ridge.
Vehicles	Take delivery and place 5 new BRT Style buses into service. Replace 12 Rideshare vans Replace 1 support/service vehicles	Apply for 3 electric buses and infrastructure of 3 charging stations. Develop and implement a new fleet brand image
Facilities & Equipment	Replace bus stop signs and bus decals with a new logo. Replace 2 bus shelters. Repaint Admin and Maintenance exterior.	Install solar panels on the CTS Admin facility. Remodel main facility to provide new offices in operations, improve fitness room, and add drivers break area.
Admin & Employees	Maintain adequate staffing levels based on services and demand. Develop employee training to provide professional growth opportunities to promote longevity. Continue to support the board to transition to a new general manager. Implement new fleet management system	Prepare to increase transit operator count by ~7 FTE to support COA service enhancements. Implement software program for rider alert notifications. Develop and implement the recruitment and hiring strategies for filling the general manager position with the August 1, 2025 retirement of the general manager. Develop and implement new strategies for succession planning.

2026	Preservation	Improvement
Service	Sustain service levels.	Expand service to "moderate level" as identified in the COA as recommended by consultants.
Vehicles	Apply for 5 replacement PT service buses. Replace 2 support/service vehicles. Replace 12 Rideshare vehicles	.
Facilities & Equipment	Replace bus wash and reclaim system. Replace 2 bus shelters.	Install private charging stations at the Sequim Transit Center (STC) and at the Forks Transit Center (FTC). Consider adding public charging stations at STC and FTC
Admin & Employees	Evaluate and maintain adequate staffing levels. Review and update the comprehensive plan as required.	
2027	**Preservation**	**Improvement**
Service	Sustain service levels.	Evaluate/consider expanded service options including later evening and or limited evening service.
Vehicles	Replace 5 PT replacement buses. Replace 1 Rideshare vehicle	
Facilities & Equipment	Update the agency snow plan and emergency management response plan. Replace 2 bus shelters. Repair settled concrete at main facility entrance	
Admin & Employees	Evaluate and maintain adequate staffing levels. Develop and provide for employee training opportunities.	
2028	**Preservation**	**Improvement**
Service	Sustain service levels.	Evaluate public transit operations
Vehicles	Replace 3 microtransit fleet vans	
Facilities & Equipment	Replace underground fuel storage tanks. Replace 2 bus shelters.	
Admin & Employees	Evaluate and maintain adequate staffing levels. Develop and provide for employee training opportunities.	
2029	**Preservation**	**Improvement**
Service	Sustain Service levels	
Vehicles	Apply for 10 PT replacement buses	
Facilities & Equipment	Replace 2 bus shelters.	
Admin & Employees	Evaluate and maintain adequate staffing levels. Develop and provide for employee training opportunities.	
2030	**Preservation**	**Improvement**
Service	Sustain Service levels.	
Vehicles	Replace 10 PT replacement buses. Replace 12 Rideshare vehicles Replace 2 support/service vehicles	

Facilities & Equipment	Replace 2 bus shelters.	Add 4 new shelters.
Admin & Employees	Evaluate and maintain adequate staffing levels. Develop and provide for employee training opportunities.	

SECTION 14: CAPITAL MANAGEMENT PLAN AND CAPITAL RESERVES

Reflects only the assets to be replaced in the planning horizon, not all assets.

Fixed-route Vehicles

Date into Service	Year	Make	Fuel Type	Recom. ULB	CTS Match %	Purch / Into Service 2025	Purch / Into Service 2026	Purch / Into Service 2027	Purch / Into Service 2028	Purch / Into Service 2029	Purch / Into Service 2030
5/26/11	2011	Gillig/35' L	diesel	500K/12yr	20%	700,000	-	-	-	-	-
5/26/11	2011	Gillig/35' L	diesel	500K/12yr	20%	700,000	-	-	-	-	-
5/31/11	2011	Gillig/35' L	diesel	500K/12yr	20%	700,000	-	-	-	-	-
4/16/13	2013	Gillig/40' L	diesel	500K/12yr	20%	750,000	-	-	-	-	-
4/16/13	2013	Gillig/40' L	diesel	500K/12yr	20%	750,000	-	-	-	-	-
9/15/22	2021	ADA Miniv	Gasoline	100K/4yr	20%	-	-	-	62,500	-	-
9/15/22	2021	ADA Miniv	Gasoline	100K/4yr	20%	-	-	-	62,500	-	-
9/15/22	2021	ADA Miniv	Gasoline	100K/4yr	20%	-	-	-	62,500	-	-
			Total Purchase Cost			3,600,000	-	-	187,500	-	-
			Est Grant			(2,880,000)	-	-	(150,000)	-	-
			Est CTS Cost			720,000	-	-	37,500	-	-
			Beginning Reserves			1,933,131	1,725,546	2,237,960	2,750,375	3,225,290	3,737,704
			Add to Reserves			512,415	512,415	512,415	512,415	512,415	512,415
			Less CTS Match			(720,000)	-	-	(37,500)	-	-
			Ending Reserves			1,725,546	2,237,960	2,750,375	3,225,290	3,737,704	4,250,119

Paratransit Vehicles

Date into Service	Year	Make	Fuel Type	Recom. ULB	CTS Match %	Purch / Into Service 2025	Purch / Into Service 2026	Purch / Into Service 2027	Purch / Into Service 2028	Purch / Into Service 2029	Purch / Into Service 2030
10/1/2018	2018	Star Trans E-450	Propane	225K/8yr	20%	-	130,000	-	-	-	-
10/1/2018	2018	Star Trans E-450	Propane	225K/8yr	20%	-	130,000	-	-	-	-
10/1/2018	2018	Star Trans E-450	Propane	225K/8yr	20%	-	130,000	-	-	-	-
10/1/2018	2018	Star Trans E-450	Propane	225K/8yr	20%	-	130,000	-	-	-	-
10/1/2018	2018	Star Trans E-450	Propane	225K/8yr	20%	-	130,000	-	-	-	-
11/10/2020	2020	Star Trans E-450	Propane	225K/8yr	20%	-	-	140,000	-	-	-
11/10/2020	2020	Star Trans E-450	Propane	225K/8yr	20%	-	-	140,000	-	-	-
11/10/2020	2020	Star Trans E-450	Propane	225K/8yr	20%	-	-	140,000	-	-	-
11/10/2020	2020	Star Trans E-450	Propane	225K/8yr	20%	-	-	140,000	-	-	-
11/10/2020	2020	Star Trans E-450	Propane	225K/8yr	20%	-	-	140,000	-	-	-
2/4/2025	2024	Ford Transit	Unleaded	225K/8yr	20%	-	-	-	-	-	135,000
2/4/2025	2024	Ford Transit	Unleaded	225K/8yr	20%	-	-	-	-	-	135,000
2/4/2025	2024	Ford Transit	Unleaded	225K/8yr	20%	-	-	-	-	-	135,000
2/4/2025	2024	Ford Transit	Unleaded	225K/8yr	20%	-	-	-	-	-	135,000
2/4/2025	2024	Ford Transit	Unleaded	225K/8yr	20%	-	-	-	-	-	135,000
2/4/2025	2024	Ford Transit	Unleaded	225K/8yr	20%	-	-	-	-	-	135,000
2/4/2025	2024	Ford Transit	Unleaded	225K/8yr	20%	-	-	-	-	-	135,000
2/26/2025	2024	Ford Transit	Unleaded	225K/8yr	20%	-	-	-	-	-	135,000
2/26/2025	2024	Ford Transit	Unleaded	225K/8yr	20%	-	-	-	-	-	135,000
5/19/2025	2024	Ford Transit	Unleaded	225K/8yr	20%	-	-	-	-	-	135,000
					Total Purchase Cost	-	650,000	700,000	-	-	1,350,000
					Est Grant	-	(520,000)	(560,000)	-	-	(1,080,000)
					Est CTS Cost	-	130,000	140,000	-	-	270,000
					Beginning Reserve	149,983	231,233	182,483	123,733	204,983	286,233
					Add to Reserves	81,250	81,250	81,250	81,250	81,250	81,250
					Less CTS Match	-	(130,000)	(140,000)	-	-	(270,000)
					Ending Reserves	231,233	182,483	123,733	204,983	286,233	97,483

Support Vehicles

Date into Service	Year	Make	Fuel Type	Recom. ULB	CTS Match %	Purch / Into Service 2025	Purch / Into Service 2026	Purch / Into Service 2027	Purch / Into Service 2028	Purch / Into Service 2029	Purch / Into Service 2030
04/30/07	2007	Dodge/3500 D	diesel	150K/18yr	100%	100,000	-	-	-	-	-
12/27/17	2018	Chevy Equinox	unleaded	150K/8yr	100%	-	55,000	-	-	-	-
02/13/18	2018	Ford Fusion	unl/hyb	150K/8yr	100%	-	55,000	-	-	-	-
10/01/22	2022	Tesla	Electric	200K/8yr	100%	-	-	-	-	-	85,000
10/01/22	2022	Tesla	Electric	200K/8yr	100%	-	-	-	-	-	85,000
06/30/18	2019	Toyota Prius Prime	unleaded	150K/8yr	100%	-	-	40,000	-	-	-
					Total Purchase Cost	100,000	110,000	40,000	-	-	170,000
					Est Request	-	-	-	-	-	-
					Est CTS Cost	100,000	110,000	40,000	-	-	170,000
					Beginning Reserve	90,572	124,953	149,335	243,716	378,097	512,479
					Add to Reserves	134,381	134,381	134,381	134,381	134,381	134,381
					Less CTS Match	(100,000)	(110,000)	(40,000)	-	-	(170,000)
					Ending Reserves	124,953	149,335	243,716	378,097	512,479	476,860

Rideshare Vehicles

Date into Service	Year	Make	Fuel Type	Recom. ULB	CTS Match	Purch / Into Service 2025	Purch / Into Service 2026	Purch / Into Service 2027	Purch / Into Service 2028	Purch / Into Service 2029	Purch / Into Service 2030
10/9/2017	2017	Chevy	Propane	150K/6yr	100%	-	58,000	-	-	-	-
10/1/2018	2018	Chevy Exp 3500	unleaded	150K/6yr	100%	-	58,000	-	-	-	-
10/1/2018	2018	Chevy Exp 3500	unleaded	150K/6yr	100%	-	58,000	-	-	-	-
10/1/2018	2018	Chevy Exp 3500	unleaded	150K/6yr	100%	-	58,000	-	-	-	-
10/1/2018	2018	Chevy Exp 3500	unleaded	150K/6yr	100%	-	58,000	-	-	-	-
12/5/2022	2013	Dodge Caravan	unleaded	150K/6yr	100%	-	58,000	-	-	-	-
2/14/2023	2014	Dodge Caravan	unleaded	150K/6yr	100%	-	58,000	-	-	-	-
2/14/2023	2014	Dodge Caravan	unleaded	150K/6yr	100%	-	58,000	-	-	-	-
2/14/2023	2014	Dodge Caravan	unleaded	150K/6yr	100%	-	58,000	-	-	-	-
2/14/2023	2014	Dodge Caravan	unleaded	150K/6yr	100%	-	58,000	-	-	-	-
2/14/2023	2014	Dodge Caravan	unleaded	150K/6yr	100%	-	58,000	-	-	-	-
2/14/2023	2014	Dodge Caravan	unleaded	150K/6yr	100%	-	58,000	-	-	-	-
2/14/2023	2014	Dodge Caravan	unleaded	150K/6yr	100%	-	58,000	-	-	-	-
8/20/2024	2024	Chevy Express 3500	unleaded	150K/6yr	20%	-	-	-	-	-	60,000
8/20/2024	2024	Chevy Express 3500	unleaded	150K/6yr	20%	-	-	-	-	-	60,000
8/20/2024	2024	Chevy Express 3500	unleaded	150K/6yr	20%	-	-	-	-	-	60,000
7/25/2024	2024	Ford Transit	unleaded	150K/6yr	20%	-	-	-	-	-	60,000
8/20/2024	2024	Ford Transit	unleaded	150K/6yr	20%	-	-	-	-	-	60,000
8/20/2024	2024	Ford Transit	unleaded	150K/6yr	20%	-	-	-	-	-	60,000
8/20/2024	2024	Ford Transit	unleaded	150K/6yr	20%	-	-	-	-	-	60,000
8/20/2024	2024	Ford Transit	unleaded	150K/6yr	20%	-	-	-	-	-	60,000
8/20/2024	2024	Ford Transit	unleaded	150K/6yr	20%	-	-	-	-	-	60,000
8/20/2024	2024	Ford Transit	unleaded	150K/6yr	20%	-	-	-	-	-	60,000
10/24/2024	2024	Ford Transit	unleaded	150K/6yr	20%	-	-	-	-	-	60,000
10/24/2024	2024	Ford Transit	unleaded	150K/6yr	20%	-	-	-	-	-	60,000
			Total Purchase Cost			-	754,000	-	-	-	720,000
			Est Grant			-	-	-	-	-	(576,000)
			Est CTS Cost			-	754,000	-	-	-	144,000
			Beginning Reserve			2,219,833	919,833	315,572	315,572	465,312	465,312
			Add to Reserves			(1,300,000)	149,739	149,739	149,739	149,739	149,739
			Less CTS Match			-	(754,000)	-	-	-	(144,000)
			Ending Reserves			919,833	315,572	465,312	465,312	615,051	471,051

Facilities and Technologies

Acq Year	Facility	Reserved Capital (>$20K)	Est Life	Match %	2025	2026	2027	2028	2029	2030
Various	Various	Various Individual Less than $20,000	Various	0%	25,000	25,000	25,000	25,000	25,000	25,000
Various	Shelters	Annual Bus Shelter Replacement Prog	30	100%	70,000	70,000	70,000	70,000	70,000	70,000
1995	Admin/Ops	Paint building, ext	15	100%	20,000	-	-	-	-	-
2005	Maint Bldg	Paint building, ext.	15	100%	20,000	-	-	-	-	-
2012	Equipment	Bus Wash & Reclaim	20	0%	-	300,000	-	-	-	-
2018	Technology	Seon Camera Software (27 Vehicles)	15	100%	-	50,000	-	-	-	-
1995	CTS Grounds	Underground Fuel Storage	30	100%	-	600,000	-	-	-	-
1995	Equipment	Vacuum system - M3641 (2 units)	26	100%	-	20,000	-	-	-	-
1995	Maint Bldg	Paint building, interior	30	100%	-	35,000	-	-	-	-
1995	Maint Bldg	Emerg generator rebuild. - M222	25	100%	-	20,000	-	-	-	-
1995	Equipment	Vehicle exhaust fans	25	100%	-	20,000	-	-	-	-
1995	Admin/Ops	Paint bldg int.	15	100%	-	-	20,000	-	-	-
1995	CTS Grounds	Lower Parking Lot Concrete Repairs	20	100%	-	-	20,000	-	-	-
2008	Admin/Ops	Carpet	15	100%	-	-	-	31,000	-	-
2024	CTS Grounds	Seal & stripe, Asphalt	4	100%	-	-	-	50,000	-	-
1995	Admin/Ops	Glazing (Windows)	30	100%	-	-	-	-	-	36,000
1995	Maint Bldg	Glazing (Windows)	30	100%	-	-	-	-	-	26,000
2012	Equipment	Lift - Bay # 2 - *LIFT2012*	18	100%	-	-	-	-	-	102,000
		Total Purchase Cost			135,000	1,140,000	135,000	176,000	95,000	259,000
		Est Grant			-	300,000	-	-	-	-
		Est CTS Cost			135,000	1,440,000	135,000	176,000	95,000	259,000
		Beginning Reserve			2,723,351	2,756,224	1,484,097	1,516,970	1,508,843	1,581,716
		Add to Reserves			167,873	167,873	167,873	167,873	167,873	167,873
		Less CTS Match			(135,000)	(1,440,000)	(135,000)	(176,000)	(95,000)	(259,000)
		Ending Reserves			2,756,224	1,484,097	1,516,970	1,508,843	1,581,716	1,490,590

SECTION 15: OPERATING FINANCIAL FORECAST

Operating Budget Forecast

As of June 4, 2025

	2022 Actual	2023 Actual	2024 Actual	2025 Forecast	2025 Budget	2026 Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Fares	692,516	772,752	341,053	303,277	306,500	309,342	317,076	325,003	333,128	339,790
Sales Tax	11,702,949	11,947,238	12,208,884	11,087,618	12,166,345	11,309,371	11,535,558	11,766,269	12,001,595	12,241,626
Grants	4,746,446	5,419,908	2,033,301	1,001,969	2,325,000	1,022,008	1,047,558	1,073,747	1,100,591	1,122,603
Interest & Other	475,706	1,609,210	1,841,918	1,527,452	1,003,450	1,558,001	1,596,951	1,636,874	1,677,796	1,711,352
Total Revenues	**17,617,617**	**19,749,107**	**16,425,156**	**13,920,315**	**15,801,295**	**14,198,721**	**14,497,143**	**14,801,893**	**15,113,109**	**15,415,372**
Wages	5,777,437	6,184,029	6,883,427	7,351,955	7,840,950	7,498,994	7,798,954	7,978,330	8,137,897	8,300,655
Benefits	3,238,973	3,188,987	3,466,314	3,752,941	4,069,350	3,827,999	3,981,119	4,072,685	4,154,139	4,237,222
Supplies	1,587,190	1,558,578	1,501,817	1,433,089	1,953,900	1,461,751	1,498,294	1,532,755	1,563,410	1,594,678
Services	1,260,945	1,552,721	1,685,831	1,650,934	1,918,850	1,683,953	1,726,051	1,765,751	1,801,066	1,837,087
Add to Capital Reserve	1,800,584	2,579,853	1,261,932	(404,081)	761,932	1,045,658	877,785	877,785	877,785	877,785
Total Expenditures	**13,665,129**	**15,064,168**	**14,799,321**	**13,784,838**	**16,544,982**	**15,518,355**	**15,882,204**	**16,227,306**	**16,534,296**	**16,847,426**
Revenues less Expenditures	**3,952,488**	**4,684,939**	**1,625,835**	**135,478**	**(743,687)**	**(1,319,633)**	**(1,385,062)**	**(1,425,412)**	**(1,421,187)**	**(1,432,055)**
Operating Reserve										
Beginning Reserve	13,283,095	17,235,583	21,920,522	23,546,357	23,546,357	22,802,670	21,483,037	20,097,975	18,672,563	17,251,376
Revenues	17,617,617	19,749,107	16,425,156	13,920,315	15,801,295	14,198,721	14,497,143	14,801,893	15,113,109	15,415,372
Expenditures	(13,665,129)	(15,064,168)	(14,799,321)	(13,784,838)	(16,544,982)	(15,518,355)	(15,882,204)	(16,227,306)	(16,534,296)	(16,847,426)
Ending Reserve	**17,235,583**	**21,920,522**	**23,546,357**	**23,681,835**	**22,802,670**	**21,483,037**	**20,097,975**	**18,672,563**	**17,251,376**	**15,819,321**

SECTION 16: OPERATING SERVICE DATA FORECAST

Figures in thousands of units, with the exception of fatalities and reportable accidents

	2025	2026	2027	2028	2029	2030
Fixed Route (projected growth at 2% per year)						
Vehicle revenue hours	58	59	60	61	63	64
Vehicle miles	1,230	1,255	1,280	1,305	1,332	1,358
Passenger trips	820	836	853	870	888	905
Fatalities	0	0	0	0	0	0
Reportable Injuries	1	0	0	0	0	0
Diesel Fuel Consumed	191	195	199	203	207	211
Unleaded Fuel Consumed	4	4	4	4	4	4
Paratransit (projected growth at 2% per year)						
Vehicle revenue hours	25	26	26	27	28	28
Vehicle revenue miles	448	457	466	475	485	495
Passenger trips	49	50	51	52	53	54
Fatalities	0	0	0	0	0	0
Reportable Injuries	0	0	0	0	0	0
Unleaded Fuel Consumed	7	12	24	24	25	25
Rideshare (projected growth at 1% per year)						
Vehicle Hours	13	13	13	13	13	13
Vehicle miles	466	471	475	480	485	490
Passenger trips	47	48	48	49	49	50
Fatalities	0	0	0	0	0	0
Reportable Injuries	0	0	0	0	0	0
Unleaded Fuel Consumed	27	28	28	28	29	29

APPENDIX A: TRANSIT AMENITIES

BUS SHELTERS

CITY OF FORKS

Forks Ave @ Tillicum Ln (northbound [NB])
Forks Ave @ S 900 Block (southbound [SB])
Forks Transit Center

5th Ave @ Bogachiel Way (SB)

CITY OF PORT ANGELES

C St @ 9th St (SB)
Caroline St @ Olympic Medical Center (WB)
Cherry St @ 8th St (NB)
Gateway Transit Center (6 shelters)
Lauridsen Blvd @ Ennis St (EB)
Lauridsen Blvd @ Laurel St (WB)
Lincoln St @ 4th St (SB – 2 shelters)
Lincoln St @ 9th St (SB)
Peabody St @ Park St (NB)
Peabody St @ 7th St (NB)
Peninsula College Parking Lot
1st St @ Chambers St (EB)
1st St @ Ennis St (EB)
1st St @ Eunice St (EB)
1st St @ Penn St (EB)
1st St @ Vine St (EB)
4th St @ Clallam County Courthouse (WB)
8th St @ B St (EB)
8th St @ G St (EB)
18th St @ M St (EB)
18th St @ N St (WB)
US 101 @ Del Guzzi (EB)

CITY OF SEQUIM

Sequim Transit Center (2 shelters)
Washington St @ Brackett Rd (westbound [WB])
Washington St @ Priest Rd (EB & WB)
Washington St @ W 600 Block (EB)
Washington St @ 9th Ave (WB)

UNINCORPORATED CLALLAM COUNTY

Deer Park Rest Area
Laird's Corner Park & Ride
Sappho Park & Ride
SR 112 @ Joyce-Piedmont Rd (EB)
SR 112 @ Loggers Ln (EB)
US 101 @ Barr Rd (EB & WB)
US 101 @ Blue Mountain Rd (EB)
US 101 @ Carlsborg Rd (WB)
US 101 @ Dryke Rd (WB)
US 101 @ Fairmount Ave (WB)
US 101 @ Hooker Rd (EB)
US 101 @ Jamestown Tribal Center (EB & WB)
US 101 @ Kirk Rd (EB)
US 101 @ Kitchen-Dick Rd (WB)
US 101 @ Larch Rd (WB)
US 101 @ Mill Rd (WB)
US 101 @ Monroe Rd (EB)
US 101 @ Mt. Pleasant Rd (EB)
US 101 @ O'Brien Rd (EB)
US 101 @ Old Olympic Highway (WB)
US 101 @ Pierson Rd (EB)
US 101 @ Pioneer Rd (WB)
US 101 @ SR 113 (EB)
US 101 @ Barnes Creek (2 Shelters)
US 101 @ W Lake Pleasant Rd (EB)
US 101 @ Barnes Creek (2 Shelters)

PARK-AND-RIDE LOTS

Deer Park Rest Stop (Clallam County)
Forks Transit Center & Rest Stop
Laird's Corner (US 101 @ Laird Road)
SR 112 @ Peters Rd (WSDOT)
Port Angeles Gateway Transit Center
Sappho (US 101 @ SR 113)
Sequim Transit Center

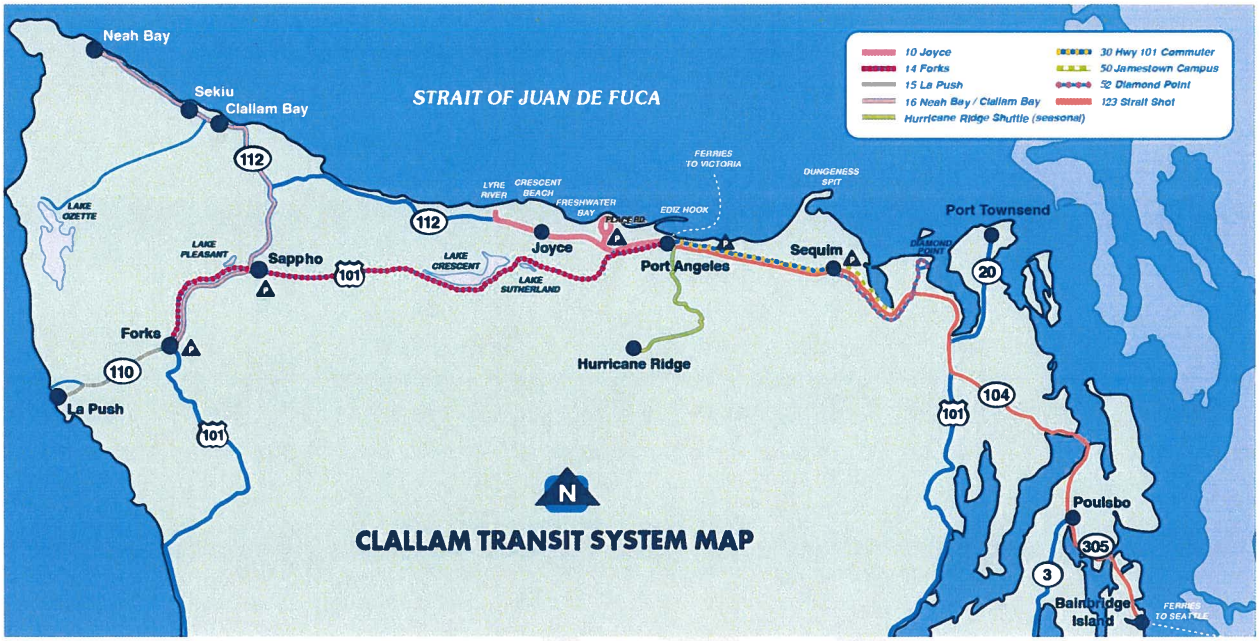
TRANSFER CENTERS

Forks Transit Center and Rest Stop
551 South Forks Avenue, Forks

Port Angeles Gateway Transit Center
123 East Front Street, Port Angeles

APPENDIX B: MAP OF SERVICE AREA

CTS Service Area Map
North Olympic Peninsula, Washington State



DRAFT

Washington State Department of Transportation

Transportation Building
310 Maple Park Avenue S.E.
P.O. Box 47300
Olympia, WA 98504-7300
360-705-7000
TTY: 1-800-833-6388
www.wsdot.wa.gov

June 6, 2025

Jim Fetzer
Clallam County Public Transportation Benefit Area
830 W Lauridsen Blvd
Port Angeles, WA 98363-2300

Subject: 2025-2027 Consolidated Grant Program Award

Dear Jim Fetzer:

Congratulations! The Washington State Department of Transportation (WSDOT) is pleased to provide your organization's Consolidated Grant Program award for the 2025-2027 biennium. Listed in the table below is your funded project, contingent upon availability of state and federal funds:

Project	Award 2025-2027	Projected 2027-2029
Clallam Transit System Strait Shot Regional Bus Service Operating Assistance	$989,448	$1,078,325

Please note that funds are reimbursable for grant-supported activities beginning July 1, 2025. Project expenditures accrued prior to this date may not be charged to your award.

Primary point of contact
Laura Moxham, community transportation planner, is your primary WSDOT contact, who will assist you with all aspects of your project. You can reach Laura at laura.moxham@wsdot.wa.gov or 360-705-6928 if you have questions or concerns.

Additional information
If you are unable to successfully implement your project, your matching funds sources are no longer available, or you will be unable to meet your application's pledged match, please contact your community transportation planner.

You will be using the Grants Management System (GMS) to manage your grant(s). If you have questions regarding GMS, contact PTDGMSsupport@wsdot.wa.gov or 360-705-7111.

We appreciate the valuable services your agency provides. We look forward to finalizing your grant agreement and funding your project. Again, congratulations!

Sincerely,

Jillian Nordstrom, grants and community partnerships manager
WSDOT Public Transportation Division

JN:dl

cc: Cherie Huxtable, Clallam County Public Transportation Benefit Area
Laura Moxham, WSDOT
Firas Makhlouf, WSDOT
Evan Olsen, WSDOT
Linda Howell, WSDOT

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Project	Award 2025-2027	Projected 2027-2029
Clallam Transit System Route 16 Rural and Tribal Access Operating Assistance	$912,991	$987,493

Please note that funds are reimbursable for grant-supported activities beginning July 1, 2025. Project expenditures accrued prior to this date may not be charged to your award.

Primary point of contact
Laura Moxham, community transportation planner, is your primary WSDOT contact, who will assist you with all aspects of your project. You can reach Laura at laura.moxham@wsdot.wa.gov or 360-705-6928 if you have questions or concerns.

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Sincerely,

Jillian Nordstrom, grants and community partnerships manager
WSDOT Public Transportation Division

JN:dl

cc: Cherie Huxtable, Clallam County Public Transportation Benefit Area
Laura Moxham, WSDOT
Firas Makhlouf, WSDOT
Evan Olsen, WSDOT
Linda Howell, WSDOT

Title: May Operations Report
Submitted By: Jason McNickle, Operations Manager
Authorized By: Jim Fetzer, General Manager

Factsheet: 2025-039
Date: June 18, 2025

Background

Clallam Transit System (CTS) provides operational data to inform the board of ridership trends, service performance, vehicle accidents, passenger exclusions, and mobile ticketing usage for the prior month.

Discussion

Fixed-Route: In May 2025, fixed-route ridership increased by 0.22% compared to May 2024. CTS recorded 72,694 passenger trips which is an increase of 161 rides from the previous year. Detailed ridership and performance data are presented in the *CTS Fixed-Route Ridership Statistics* and *Route Efficiency Report*.

Interlink Micro-transit Service: Customer feedback for Interlink services remains highly positive. Riders rate their experience on a scale of 1 to 5, with 5 indicating the highest satisfaction. In May 2025, the average trip quality ratings were 4.96 in Forks and 4.95 in Sequim. Monthly ridership increased by 7.85% in Forks and 36.97% in Sequim compared to May 2024.

Paratransit: Paratransit ridership rose by 2.56% in May 2025 compared to the same month in 2024. Key performance metrics are summarized in the table below:

Measure	May 2025	May 2024	YTD 2025	YTD 2024	
Boardings	4,250	4,144	20,309	19,711	
On-Time Performance	96.09%	94.62%	96.25%	94.41%	*Higher is better*
No-Shows	6.78%	5.57%	6.59%	6.56%	*Lower is better*
Same-Day Cancellations	5.95%	4.46%	5.88%	4.11%	*Lower is better*
Newly Approved Applicants	94	106	414	354	

Vehicle Accidents and Incidents Two reportable accidents occurred in May 2025:

1. A fixed-route bus was struck from behind while merging into traffic from a bus stop. Minor damage occurred, and no injuries were reported.

2. A paratransit vehicle struck the bottom of a porte cochère while attempting to enter. Damage occurred to the vehicle and the structure.

Exclusions: Two individuals were excluded from CTS property in May 2025 due to assault incidents. One of the individuals received three exclusions in the same month.

Mobile Ticketing Program (Token Transit): Monthly Sales Overview – Strait Shot and Hurricane Ridge

Month	Unique Users	Passes/Tickets	Gross Sales
May 2025	302	564	$5,085
April 2025	269	493	$4,560
March 2025	260	492	$4,640
February 2025	209	375	$3,515
January 2025	209	370	$3,405
December 2024	268	477	$4,485
November 2024	238	413	$3,900
October 2024	266	483	$4,575
September 2024	295	554	$5,033
August 2024	460	1,061	$6,869.50
July 2024	425	1,018	$5,979
June 2024	347	737	$5,070
May 2024	281	561	$4,980

May 2025 Sales by Fare Type			
Type of Fare	**Fare**	**Passengers**	**Revenue**
Regular Strait Shot Fare	$10.00	489	$4,190.00
Reduced Strait Shot Fare	$5.00	75	$375.00
Totals			**$5,085.00**

Operations Update: CTS began operating the Hurricane Ridge Shuttle on May 24, 2025. Ridership for May increased by 64.5% compared to May 2024.

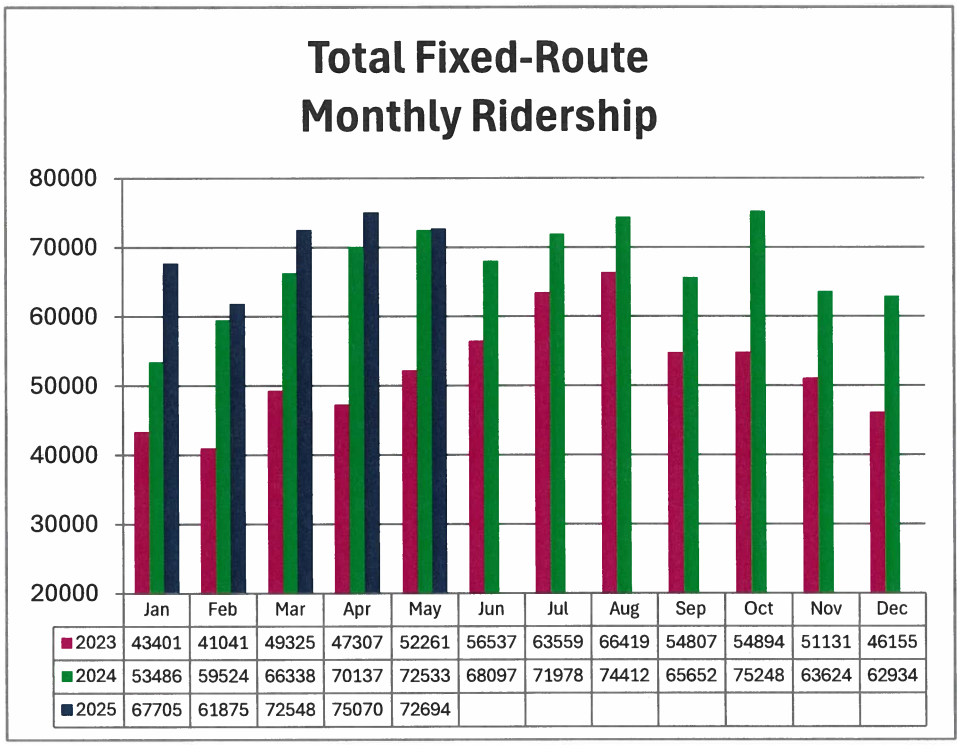
Recommended Action
None.

Attachments
CTS Fixed-Route Ridership Statistics
Route Efficiency Report

Orig: Board Meeting File

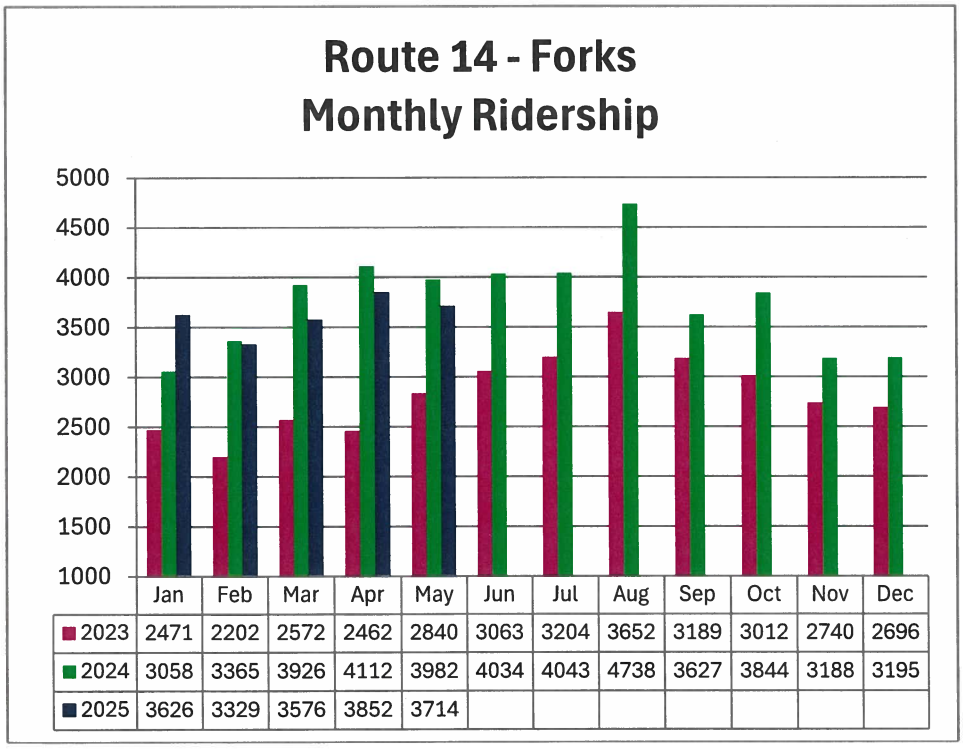
CTS Fixed-Route Ridership Statistics May 2025

Total Fixed-Route Monthly Ridership



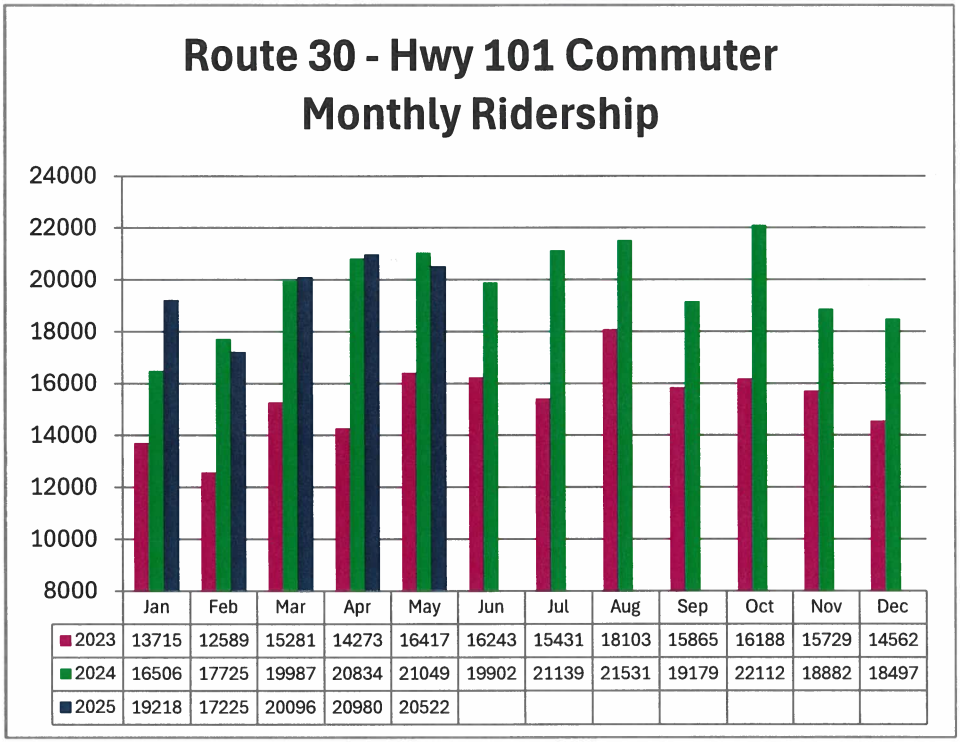
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	43401	41041	49325	47307	52261	56537	63559	66419	54807	54894	51131	46155
2024	53486	59524	66338	70137	72533	68097	71978	74412	65652	75248	63624	62934
2025	67705	61875	72548	75070	72694							

InterCity Routes (14, 30, 123)



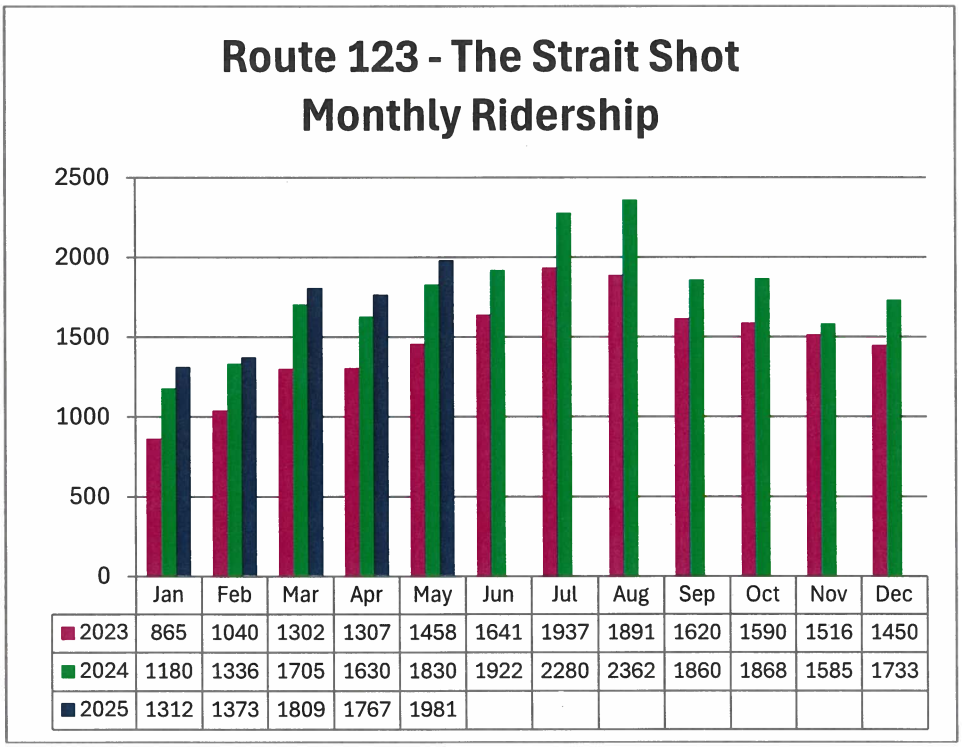
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	2471	2202	2572	2462	2840	3063	3204	3652	3189	3012	2740	2696
2024	3058	3365	3926	4112	3982	4034	4043	4738	3627	3844	3188	3195
2025	3626	3329	3576	3852	3714							

InterCity Routes (14, 30, 123)



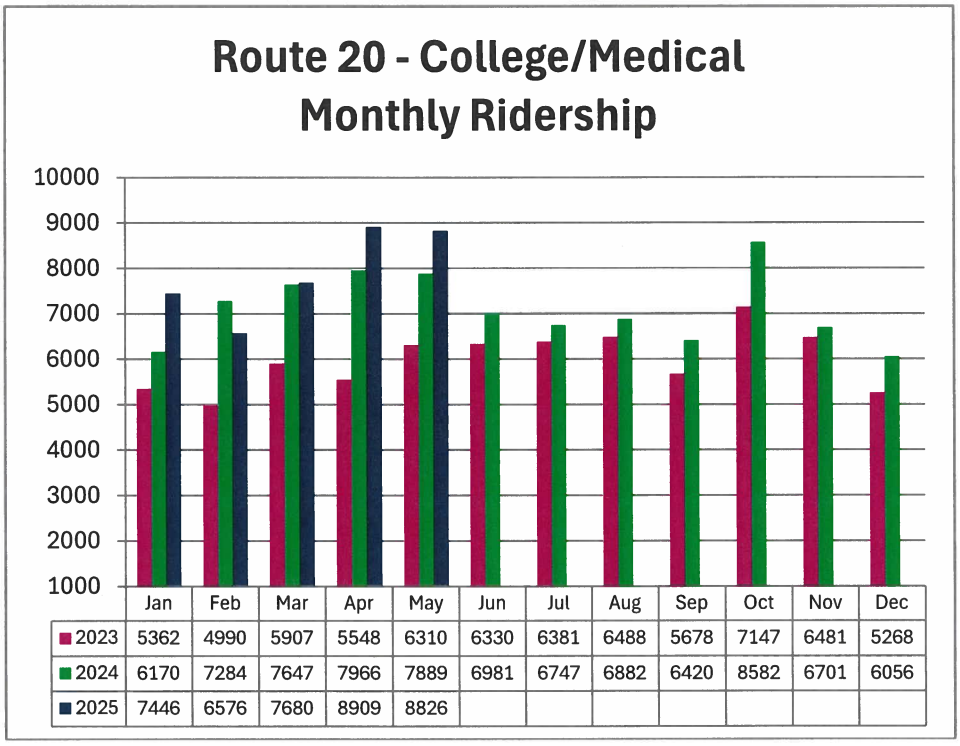
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	13715	12589	15281	14273	16417	16243	15431	18103	15865	16188	15729	14562
2024	16506	17725	19987	20834	21049	19902	21139	21531	19179	22112	18882	18497
2025	19218	17225	20096	20980	20522							

InterCity Routes (14, 30, 123)



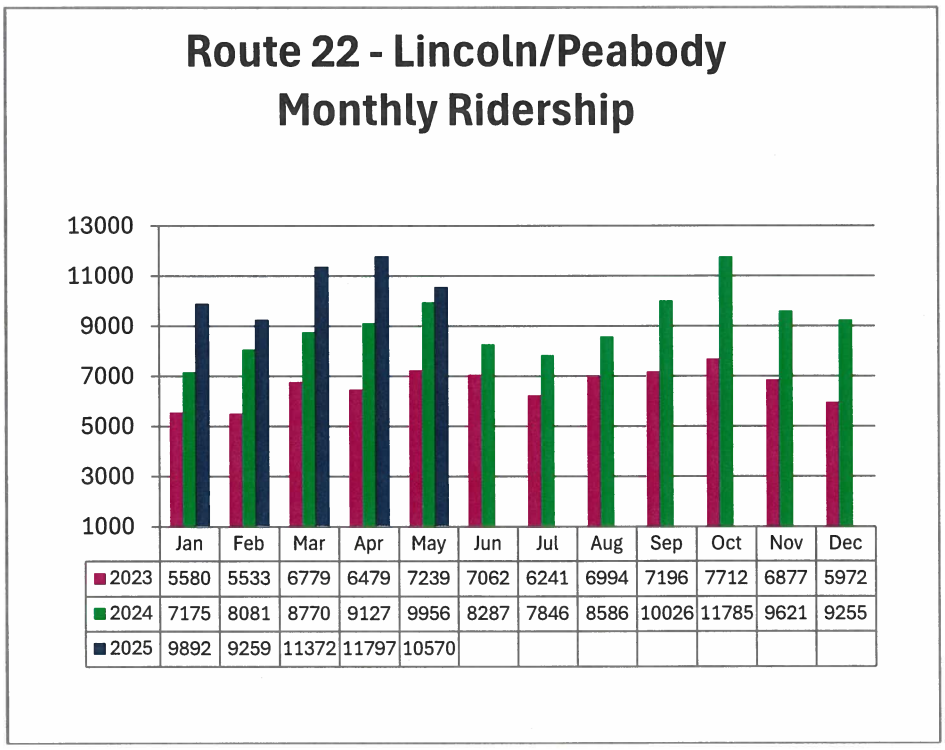
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	865	1040	1302	1307	1458	1641	1937	1891	1620	1590	1516	1450
2024	1180	1336	1705	1630	1830	1922	2280	2362	1860	1868	1585	1733
2025	1312	1373	1809	1767	1981							

Urban Routes (20, 22, 24, 26)



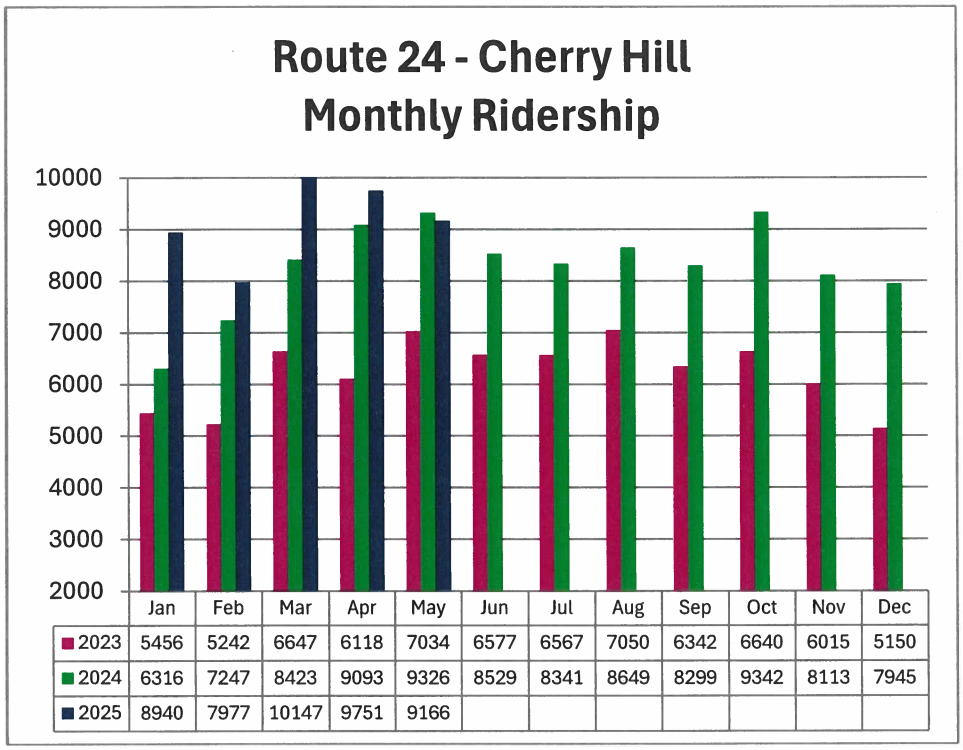
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	5362	4990	5907	5548	6310	6330	6381	6488	5678	7147	6481	5268
2024	6170	7284	7647	7966	7889	6981	6747	6882	6420	8582	6701	6056
2025	7446	6576	7680	8909	8826							

Urban Routes (20, 22, 24, 26)



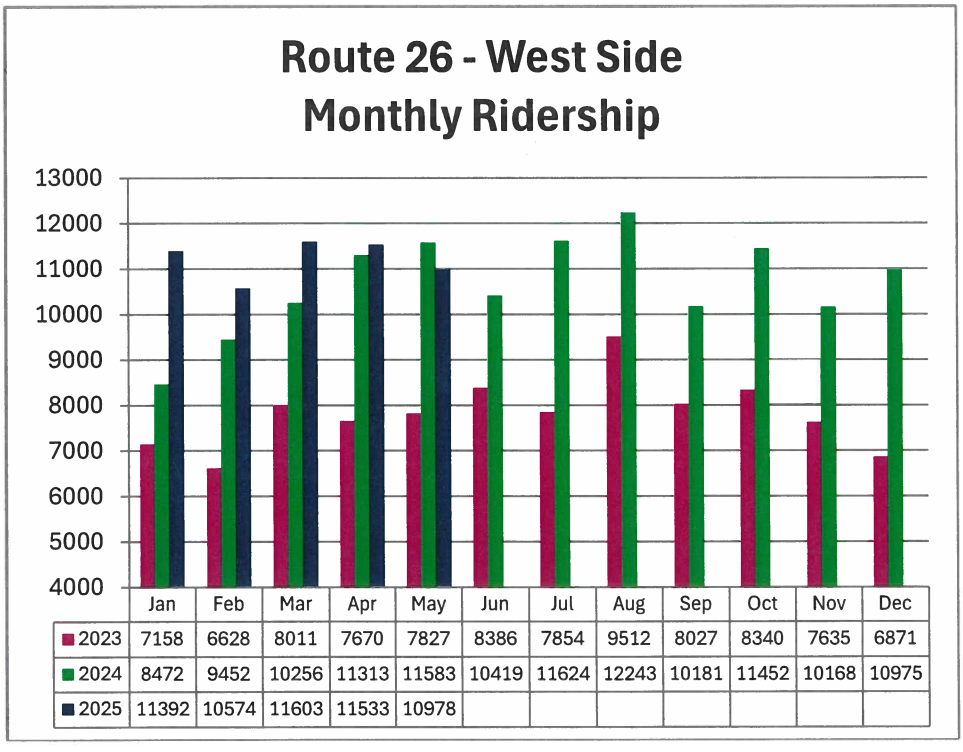
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	5580	5533	6779	6479	7239	7062	6241	6994	7196	7712	6877	5972
2024	7175	8081	8770	9127	9956	8287	7846	8586	10026	11785	9621	9255
2025	9892	9259	11372	11797	10570							

Urban Routes (20, 22, 24, 26)



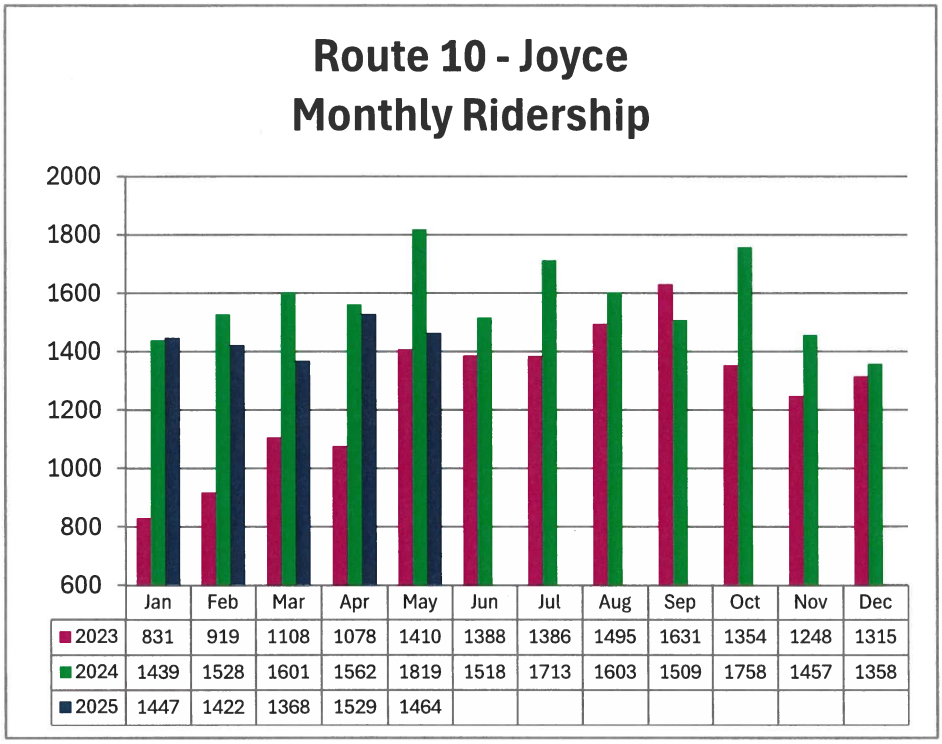
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	5456	5242	6647	6118	7034	6577	6567	7050	6342	6640	6015	5150
2024	6316	7247	8423	9093	9326	8529	8341	8649	8299	9342	8113	7945
2025	8940	7977	10147	9751	9166							

Urban Routes (20, 22, 24, 26)



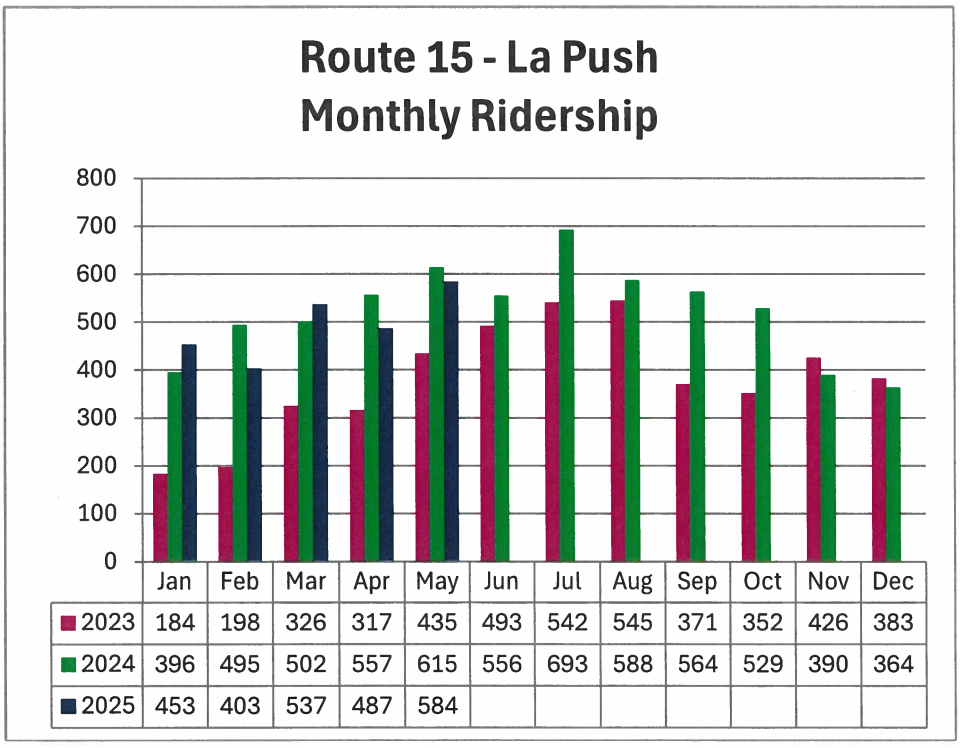
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	7158	6628	8011	7670	7827	8386	7854	9512	8027	8340	7635	6871
2024	8472	9452	10256	11313	11583	10419	11624	12243	10181	11452	10168	10975
2025	11392	10574	11603	11533	10978							

Rural Routes (10, 15, 16, 50, 52)



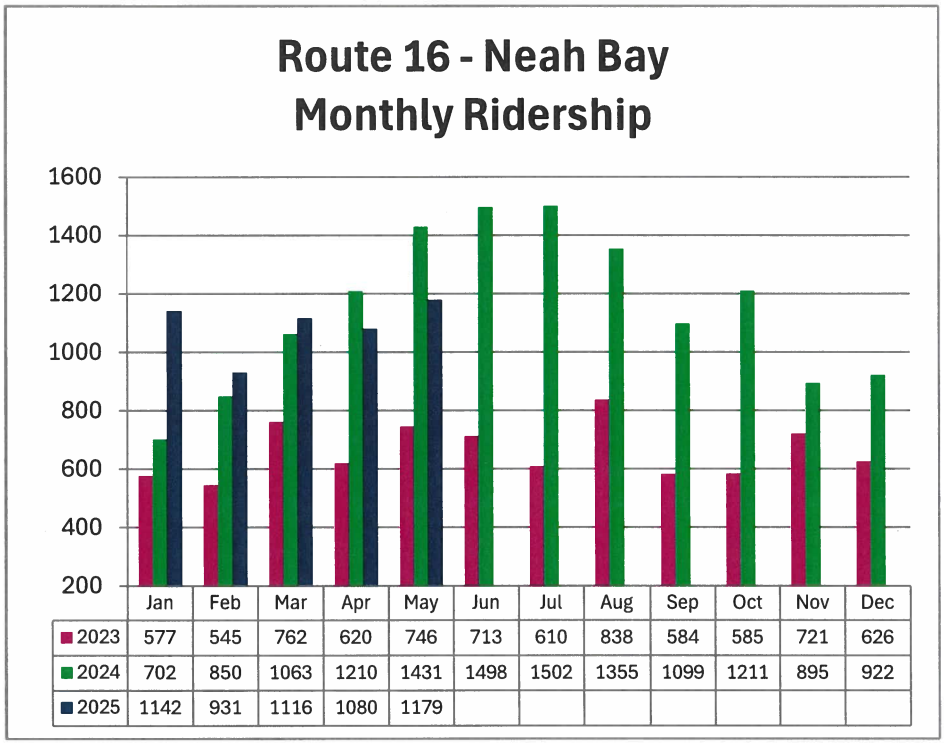
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	831	919	1108	1078	1410	1388	1386	1495	1631	1354	1248	1315
2024	1439	1528	1601	1562	1819	1518	1713	1603	1509	1758	1457	1358
2025	1447	1422	1368	1529	1464							

Rural Routes (10, 15, 16, 50, 52)



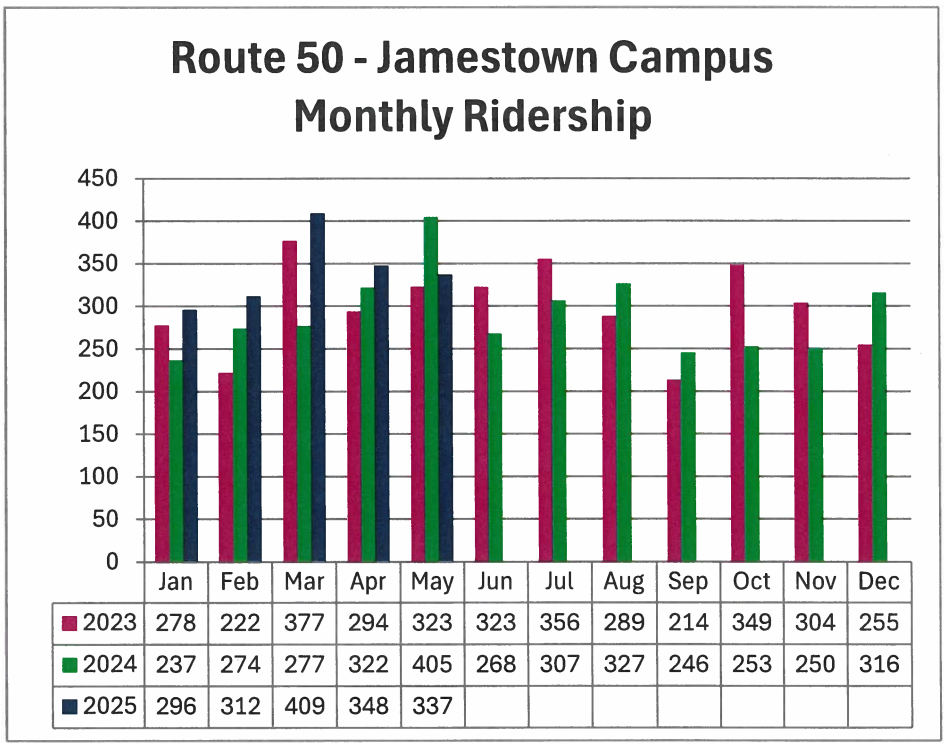
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	184	198	326	317	435	493	542	545	371	352	426	383
2024	396	495	502	557	615	556	693	588	564	529	390	364
2025	453	403	537	487	584							

Rural Routes (10, 15, 16, 50, 52)



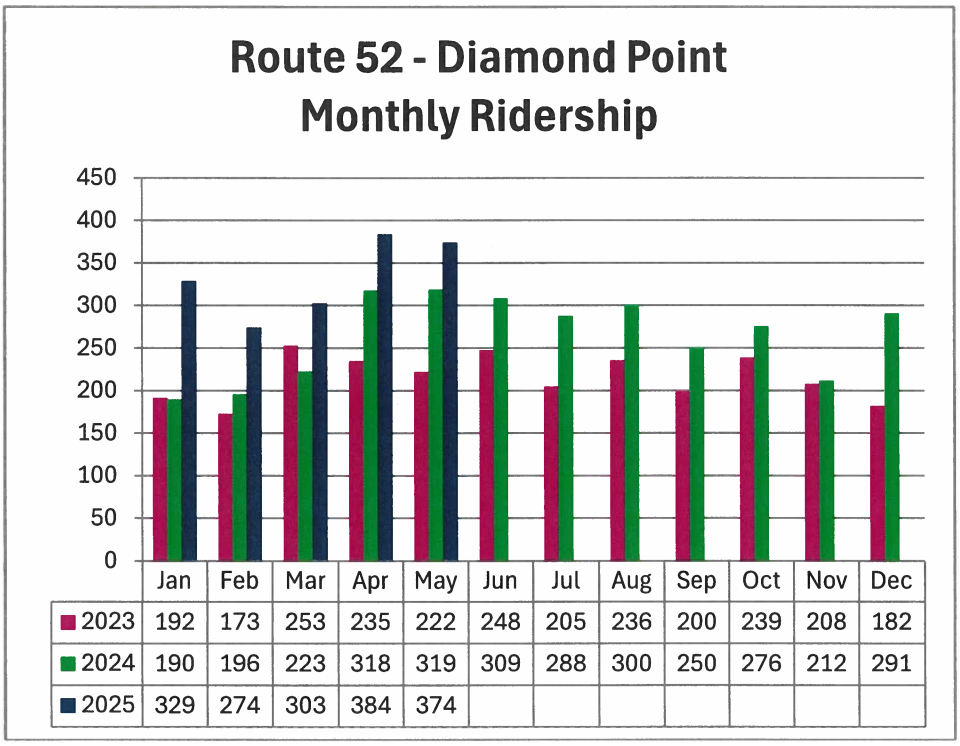
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	577	545	762	620	746	713	610	838	584	585	721	626
2024	702	850	1063	1210	1431	1498	1502	1355	1099	1211	895	922
2025	1142	931	1116	1080	1179							

Rural Routes (10, 15, 16, 50, 52)



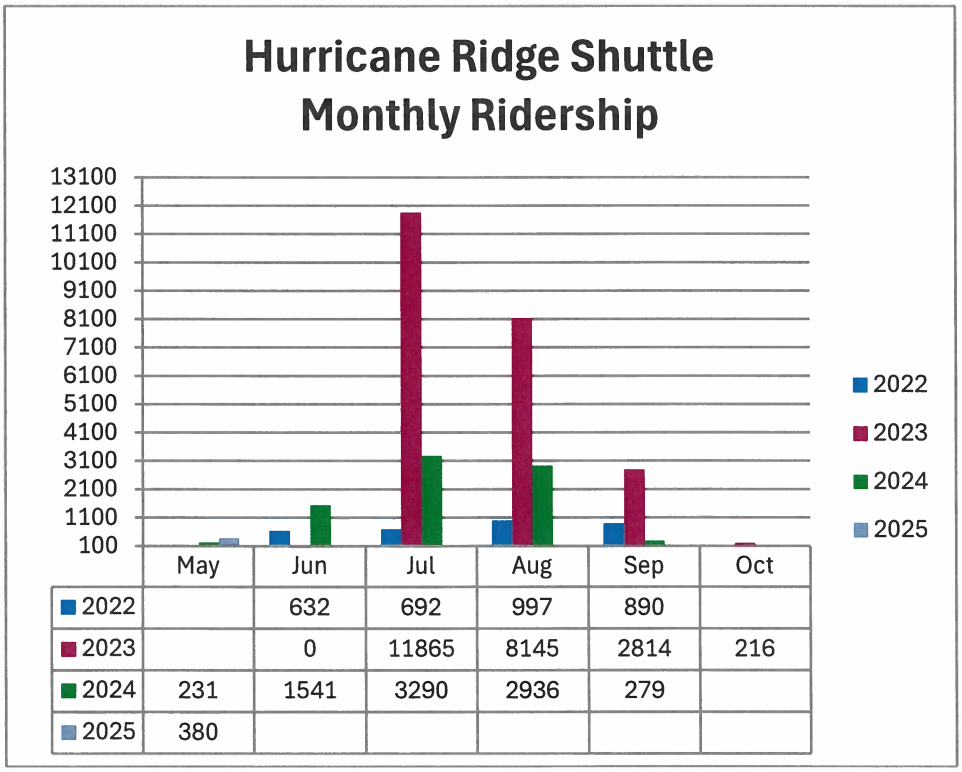
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	278	222	377	294	323	323	356	289	214	349	304	255
2024	237	274	277	322	405	268	307	327	246	253	250	316
2025	296	312	409	348	337							

Rural Routes (10, 15, 16, 50, 52)



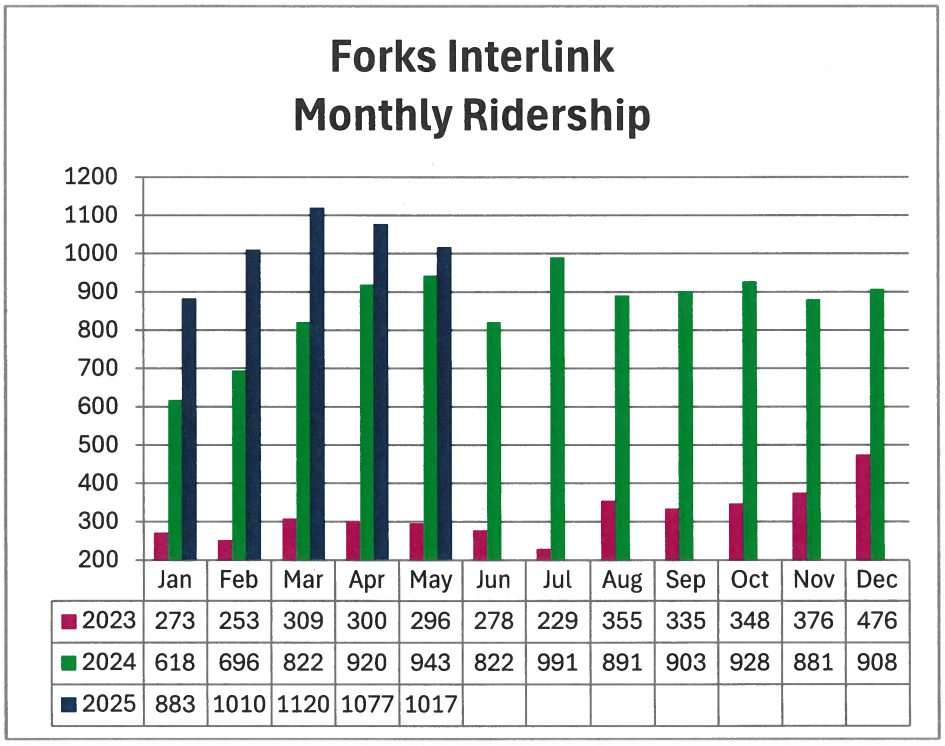
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	192	173	253	235	222	248	205	236	200	239	208	182
2024	190	196	223	318	319	309	288	300	250	276	212	291
2025	329	274	303	384	374							

Hurricane Ridge



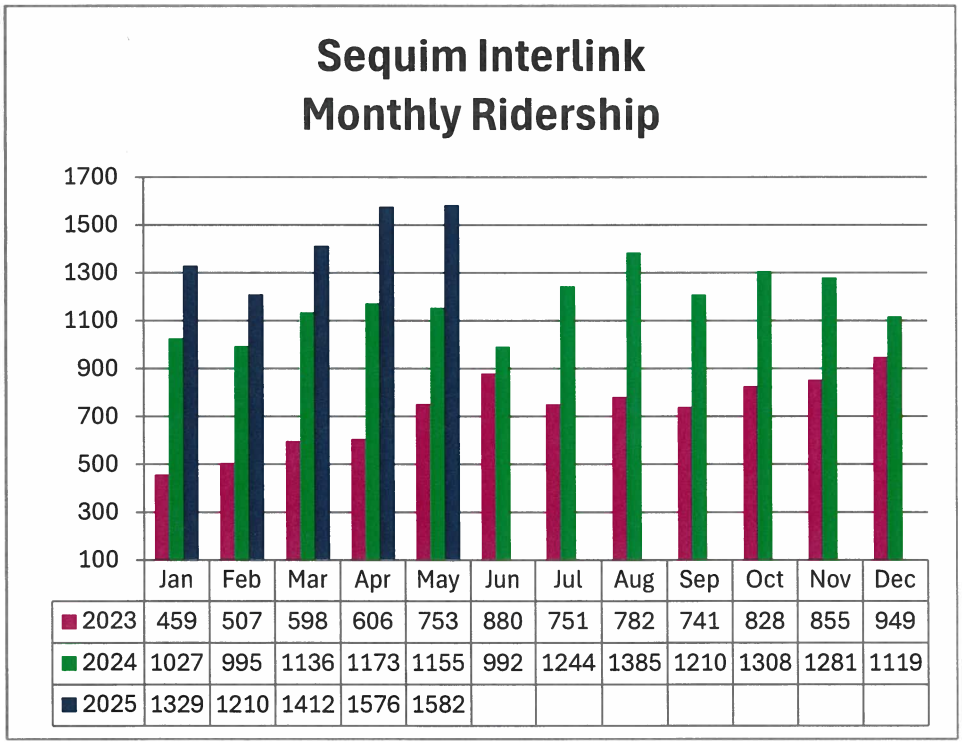
	May	Jun	Jul	Aug	Sep	Oct
2022		632	692	997	890	
2023		0	11865	8145	2814	216
2024	231	1541	3290	2936	279	
2025	380					

Interlink services (Sequim and Forks)

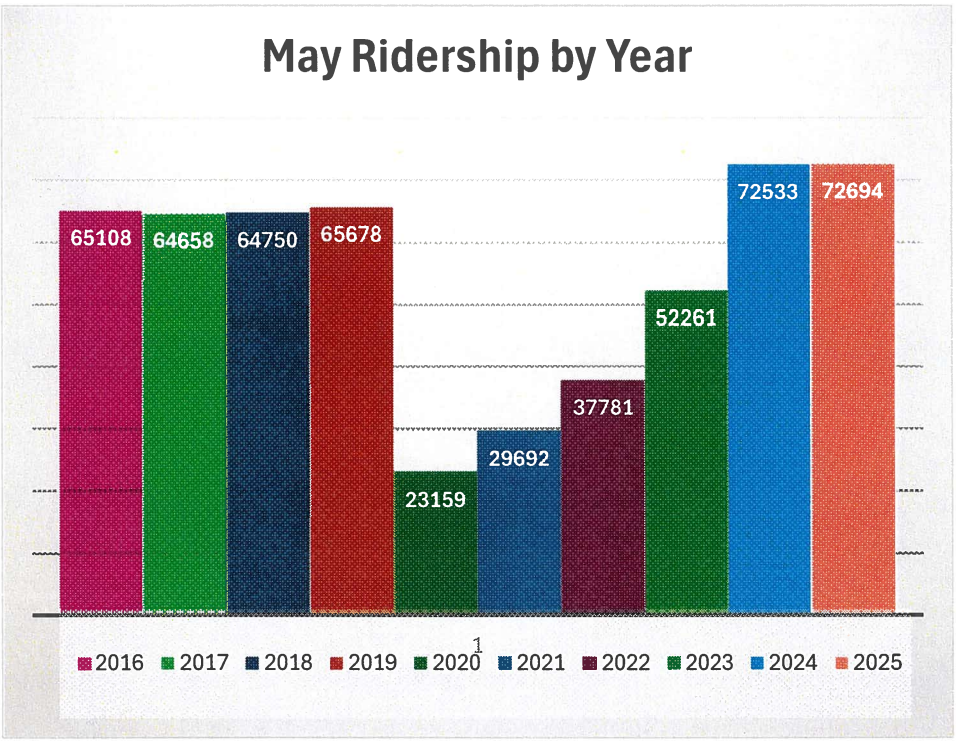


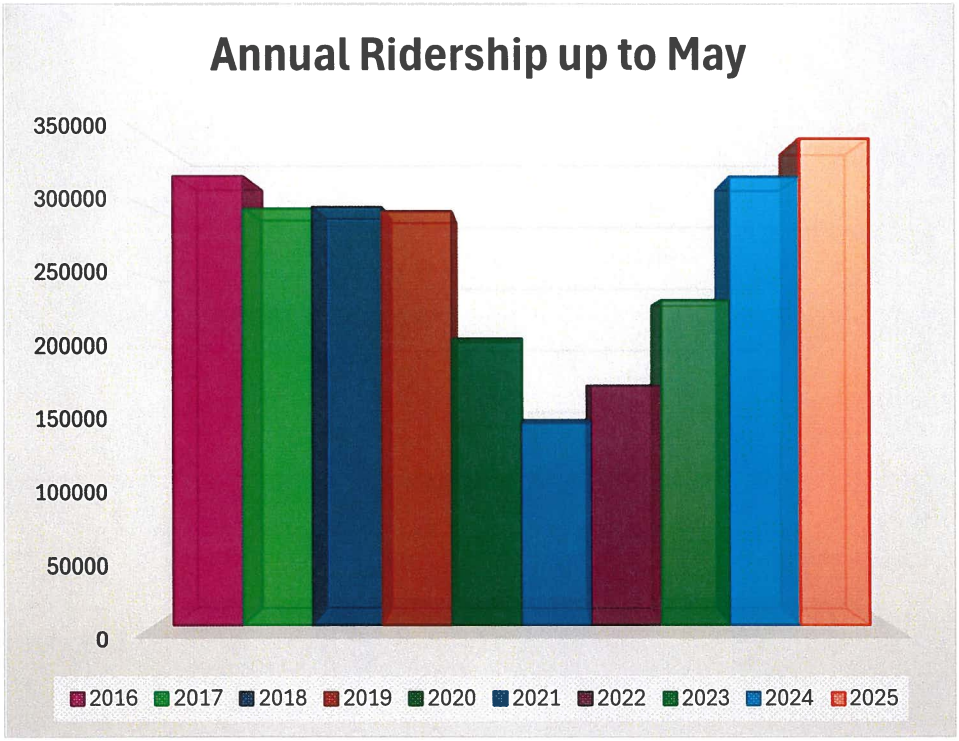
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	273	253	309	300	296	278	229	355	335	348	376	476
2024	618	696	822	920	943	822	991	891	903	928	881	908
2025	883	1010	1120	1077	1017							

Interlink services (Sequim and Forks)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	459	507	598	606	753	880	751	782	741	828	855	949
2024	1027	995	1136	1173	1155	992	1244	1385	1210	1308	1281	1119
2025	1329	1210	1412	1576	1582							


May Ridership by Year
65108
64658
64750
65678
23159
29692
37781
52261
72533
72694
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025


Annual Ridership up to May
350000
300000
250000
200000
150000
100000
50000
0
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025

May 2025 CTS Route Efficiency Report

Efficiency Ranking	Route	Boardings	Rev Hours	Avg. Passengers per hour per route
1	22 – Lincoln/Peabody	10,570	283.51	37.283
2	26 – West Side	10,978	337.44	32.533
3	24 – Cherry Hill	9,166	325.55	28.155
4	20 – College/Medical	8,826	348.45	25.329
5	30 – Commuter	20,522	1,005.37	20.412
6	10 – Joyce	1,464	199.88	7.324
7	50 – Jamestown	337	47.04	7.164
8	15 – La Push	584	85.59	6.823
9	14 – Forks	3,714	648.51	5.727
10	52 – Diamond Point	374	71.82	5.207
11	Sequim Interlink	1,582	306.48	5.162
12	123 – The Strait Shot	1,981	408.32	4.852
13	Forks Interlink	1,017	220.81	4.606
14	16 – Neah Bay	1,179	295.11	3.995
15	ONP	380	144.00	2.639

Title: May 2025 Financial Report
Submitted By: Cherie Huxtable, Finance Manager
Authorized By: Jim Fetzer, General Manager

Factsheet: 2025-040
Date: June 18, 2025

BACKGROUND

Clallam Transit System (CTS) provides financial data information to keep the board informed of the financial status for the previous month, as well as short-term projections. The discussion items below represent items of note for the reporting month's activity.

DISCUSSION

Cash Balances: The total cash balance as of May 31, 2025, was $30,370,674. Of those funds, $23.2 million is unrestricted. Ten million dollars of those unrestricted funds are currently held in the Separately Managed Account (SMA) for long-term investments.

Sales Tax Revenue: The sales tax deposit for May was $962,820. This was 4.2% under budget for the month. Sales tax receipts are two months behind actual state collections.

Other Operating Revenue: Other operating revenue includes $104,516 thousand in interest revenue. Interest rates from the Local Government Investment Pool (LGIP) dropped from 4.39% to 4.37%.

RECOMMENDED ACTION

None.

ATTACHMENTS

Monthly Board Report
Sales Tax Chart
Salary, Wages, and Benefits Chart
Revenue and Expenses Chart
SMA Net Position

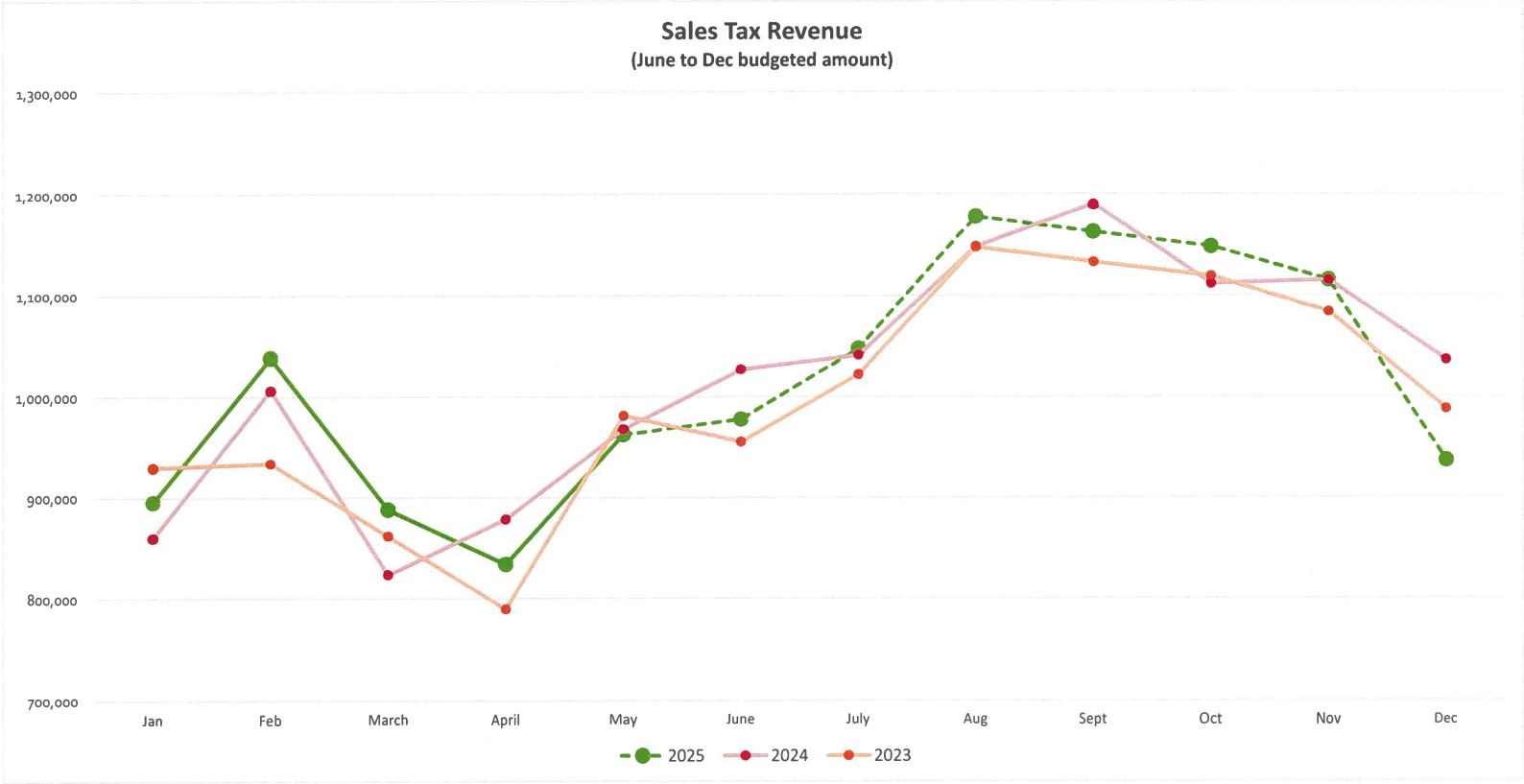
Clallam Transit System

Monthly Budget Report

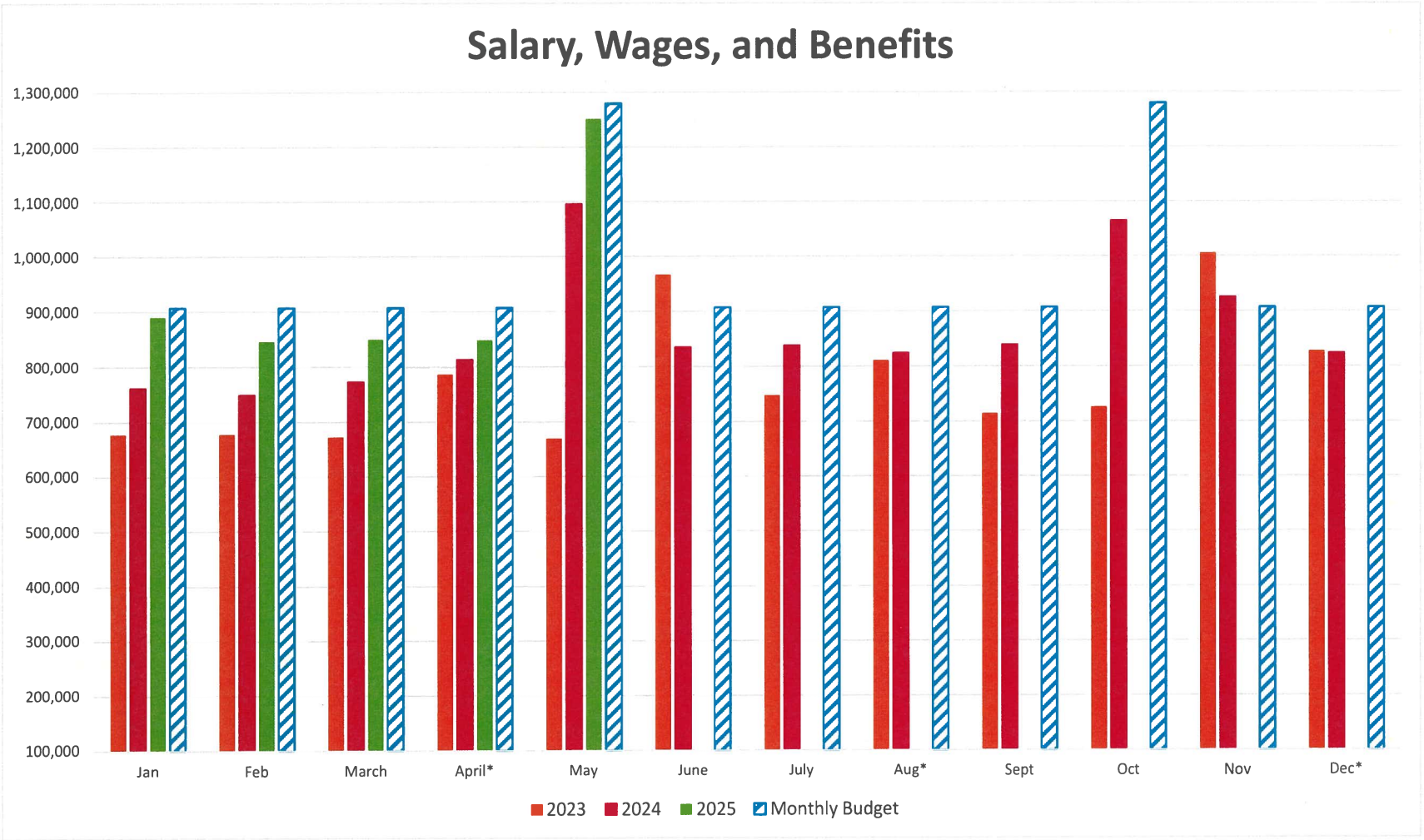
Group Summary

For Fiscal: Current Period Ending: 05/31/2025

ExpCat	May Budget	May Activity	Variance Favorable (Unfavorable)	Percent Used	YTD Budget	YTD Activity	Variance Favorable (Unfavorable)	Percent Used	Total Budget
Revenue									
RevType: 10 - Passenger Fare Revenue									
	13,744.50	16,464.89	2,720.39	-119.79%	68,722.50	62,172.09	-6,550.41	-90.47%	165,000.00
Total RevType: 10 - Passenger Fare Revenue:	**13,744.50**	**16,464.89**	**2,720.39**	**-119.79%**	**68,722.50**	**62,172.09**	**-6,550.41**	**-90.47%**	**165,000.00**
RevType: 20 - Rideshare Revenue									
	11,245.50	13,800.00	2,554.50	-122.72%	56,227.50	59,525.00	3,297.50	-105.86%	135,000.00
Total RevType: 20 - Rideshare Revenue:	**11,245.50**	**13,800.00**	**2,554.50**	**-122.72%**	**56,227.50**	**59,525.00**	**3,297.50**	**-105.86%**	**135,000.00**
RevType: 30 - Paratransit Revenue									
	541.45	1,487.31	945.86	-274.69%	2,707.25	4,668.17	1,960.92	-172.43%	6,500.00
Total RevType: 30 - Paratransit Revenue:	**541.45**	**1,487.31**	**945.86**	**-274.69%**	**2,707.25**	**4,668.17**	**1,960.92**	**-172.43%**	**6,500.00**
RevType: 40 - Sales Tax Revenue									
	1,005,085.00	962,820.37	-42,264.63	-95.79%	4,599,242.00	4,619,840.93	20,598.93	-100.45%	12,166,345.00
Total RevType: 40 - Sales Tax Revenue:	**1,005,085.00**	**962,820.37**	**-42,264.63**	**-95.79%**	**4,599,242.00**	**4,619,840.93**	**20,598.93**	**-100.45%**	**12,166,345.00**
RevType: 50 - WSDOT Grant Revenue									
	83.30	0.00	-83.30	0.00%	581,666.50	417,487.00	-164,179.50	-71.77%	2,326,000.00
Total RevType: 50 - WSDOT Grant Revenue:	**83.30**	**0.00**	**-83.30**	**0.00%**	**581,666.50**	**417,487.00**	**-164,179.50**	**-71.77%**	**2,326,000.00**
RevType: 60 - Other Operating Revenue									
	83,504.08	154,560.39	71,056.31	-185.09%	417,520.40	701,515.80	283,995.40	-168.02%	1,002,450.00
Total RevType: 60 - Other Operating Revenue:	**83,504.08**	**154,560.39**	**71,056.31**	**-185.09%**	**417,520.40**	**701,515.80**	**283,995.40**	**-168.02%**	**1,002,450.00**
Total Revenue:	**1,114,203.83**	**1,149,132.96**	**34,929.13**	**-103.13%**	**5,726,086.15**	**5,865,208.99**	**139,122.84**	**-102.43%**	**15,801,295.00**
Expense									
00 - Salaries & Wages	899,156.92	863,846.18	35,310.74	96.07%	3,316,211.40	3,063,314.65	252,896.75	92.37%	7,840,950.00
10 - Personnel Benefits	402,868.63	387,282.17	15,586.46	96.13%	1,708,222.75	1,563,725.23	144,497.52	91.54%	4,069,350.00
20 - Fuel and Fluids	113,013.11	101,314.08	11,699.03	89.65%	565,065.55	489,323.39	75,742.16	86.60%	1,356,700.00
30 - Parts and Supplies	48,080.95	15,482.82	32,598.13	32.20%	240,404.75	123,961.91	116,442.84	51.56%	577,200.00
40 - Professional & Misc Services	61,575.45	22,642.96	38,932.49	36.77%	307,877.25	248,314.76	59,562.49	80.65%	739,200.00
50 - Maintenance & Repair	28,363.65	21,027.90	7,335.75	74.14%	141,818.25	126,857.80	14,960.45	89.45%	340,500.00
60 - Communications	11,162.20	8,888.67	2,273.53	79.63%	55,811.00	39,718.35	16,092.65	71.17%	134,000.00
70 - Insurance	41,233.50	41,055.25	178.25	99.57%	206,167.50	205,276.25	891.25	99.57%	495,000.00
80 - Other Operating Expenses	19,171.49	11,951.05	7,220.44	62.34%	95,857.45	67,721.99	28,135.46	70.65%	230,150.00
Total Expense:	**1,624,625.90**	**1,473,491.08**	**151,134.82**	**90.70%**	**6,637,435.90**	**5,928,214.33**	**709,221.57**	**89.31%**	**15,783,050.00**
Report Total:	**-510,422.07**	**-324,358.12**	**186,063.95**		**-911,349.75**	**-63,005.34**	**848,344.41**		**18,245.00**



	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD	Annual Budget
2025	895,731	1,038,604	888,518	834,168	962,820	*978,228*	*1,047,493*	*1,177,778*	*1,162,551*	*1,148,189*	*1,115,098*	*937,766*	895,731	12,166,345
2024	860,635	1,006,762	823,904	878,809	968,302	1,027,322	1,041,358	1,148,186	1,190,563	1,111,519	1,114,918	1,036,605	12,208,884	12,118,505
2023	930,181	934,432	862,265	790,040	981,638	955,824	1,022,400	1,147,624	1,132,989	1,119,185	1,083,882	988,239	11,948,698	11,205,720



	Jan	Feb	March	April*	May	June	July	Aug*	Sept	Oct	Nov	Dec*	YTD	Annual Budget
Monthly Budget	*907,701*	*907,701*	*907,701*	*907,701*	*1,279,125*	*907,701*	*907,701*	*907,701*	*907,701*	*1,279,125*	*907,701*	*907,701*		11,841,575
2025	*891,035*	*846,596*	*850,518*	*849,018*	*1,251,128*								*4,690,319*	11,635,491
2024	*761,986*	*749,110*	*773,474*	*813,419*	*1,096,265*	*835,082*	*838,348*	*824,801*	*839,214*	*1,064,962*	*925,298*	*824,426*	*10,346,384*	11,841,575
2023	677,278	678,107	672,436	787,116	669,476	966,873	747,987	811,363	714,182	725,669	1,005,124	828,340	9,283,952	9,628,040

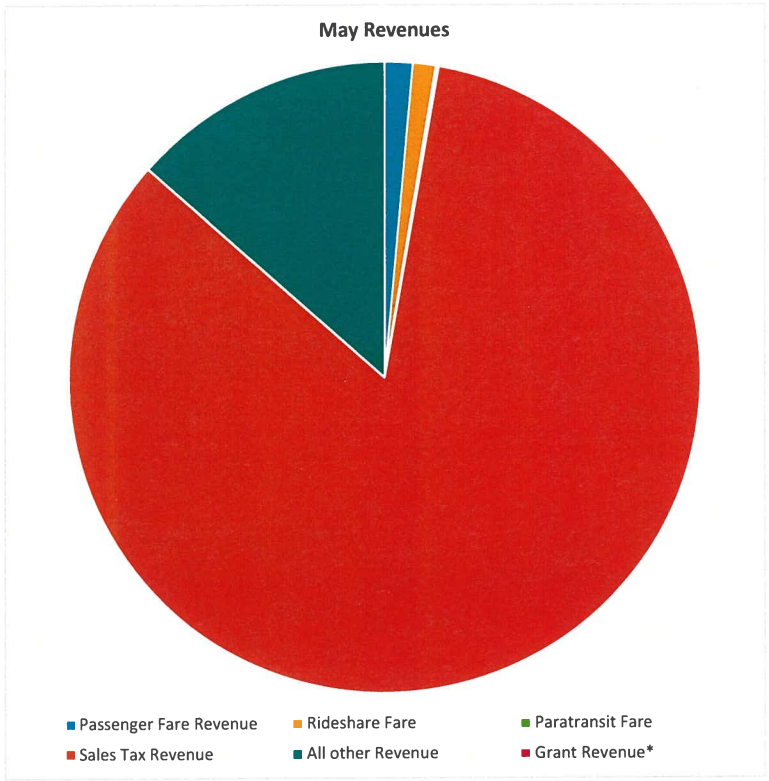
Highlighted cells are months with three payrolls.

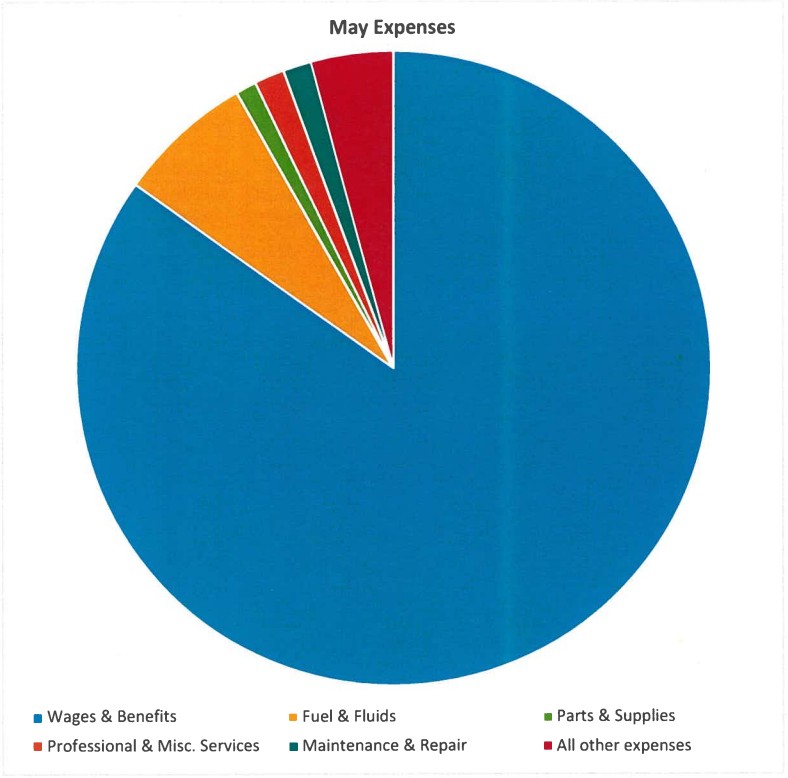
*In 2023, Retention payments will be made to staff in April, August, and December.

REVENUES	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD Actual	Annual Budget	% of Budget Used
Passenger Fare Revenue	11,624	9,692	13,531	10,860	16,465								62,172	165,000	37.68%
Rideshare Fare	1,175	14,475	14,425	15,650	13,800								59,525	135,000	44.09%
Paratransit Fare	315	716	1,121	1,028	1,487								4,668	6,500	71.82%
Sales Tax Revenue	895,731	1,038,604	888,518	834,168	962,820								4,619,841	12,166,345	37.97%
All other Revenue	144,323	122,209	138,285	141,929	154,560								701,306	1,002,450	69.96%
Grant Revenue*	-	-	-	417,487	-								417,487	2,326,000	17.95%

*Grant revenue appears in the Financial Statement during the month that the reimbursement requests are made, not when the funds are received.

EXPENSES	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD Actual	Annual Budget	% of Budget Used
Wages & Benefits	829,781	846,596	850,518	849,018	1,251,128								4,627,040	11,635,491	39.77%
Fuel & Fluids	21,287	94,493	89,327	109,386	101,314								415,808	1,927,900	21.57%
Parts & Supplies	18,376	32,577	27,571	31,149	15,483								125,156	736,200	17.00%
Professional & Misc. Services	114,274	10,847	52,066	49,009	22,643								248,839	736,200	33.80%
Maintenance & Repair	23,983	23,549	11,567	46,731	21,028								126,858	340,500	37.26%
All other expenses	47,284	73,470	62,559	67,508	61,895								312,717	859,150	36.40%





SMA Net Position
January 2025 - May 2025

SMA-Clallam Transit	February 2025	March 2025	April 2025	May 2025	Period Totals
Operations					
ADDITIONS					
Investment Earnings	31,500.11	37,125.89	35,668.97	36,235.85	140,530.82
DEDUCTIONS					
Administrative Expenses	320.49	383.08	371.75	385.38	1,460.70
Change in Net Position - Operations	**31,179.62**	**36,742.81**	**35,297.22**	**35,850.47**	**139,070.12**
SMA Participant Transactions					
CONTRIBUTIONS	10,000,000.00	0.00	0.00	0.00	10,000,000.00
DISTRIBUTIONS	0.00	0.00	0.00	0.00	0.00
Change in Net Position - Part. Txns.	**10,000,000.00**	**0.00**	**0.00**	**0.00**	**10,000,000.00**
Change in Net Position	**10,031,179.62**	**36,742.81**	**35,297.22**	**35,850.47**	**10,139,070.12**
Beginning Net Position	0.00	10,031,179.62	10,067,922.43	10,103,219.65	0.00
Ending Net Position	**10,031,179.62**	**10,067,922.43**	**10,103,219.65**	**10,139,070.12**	**10,139,070.12**
AVERAGE BOOK BALANCE	9,998,214.20	10,023,321.59	10,050,910.10	10,083,359.05	
GROSS YIELD (Earnings before fee)	4.423%	4.361%	4.318%	4.231%	
NET YIELD (Net of fee)	4.378%	4.316%	4.273%	4.186%	
Fee Rate	0.045%	0.045%	0.045%	0.045%	
Statement of Net Position					
Investment Book Value	9,998,982.82	10,021,512.29	10,056,967.42	10,085,335.66	
Accrued Interest/Income	31,090.32	36,742.29	35,654.27	39,959.02	
Oustanding PAI	1,426.97	10,050.93	10,969.71	14,160.82	
Admin. Fee Liability	(320.49)	(383.08)	(371.75)	(385.38)	
Net Position (Amortized Cost)	**10,031,179.62**	**10,067,922.43**	**10,103,219.65**	**10,139,070.12**	
Market Value	10,004,410.33	10,033,185.12	10,091,700.67	10,096,675.85	

Title: Administrative Services Department Report
Submitted By: Barb Cox, Human Resources Manager
Authorized By: James I. Fetzer, General Manager

Factsheet: 2025-041
Date: June 18, 2025

Background

The Clallam Transit System (CTS) human resources manager communicates with the CTS Board on activities and operations of the administrative services department.

Discussion

Recruitments included:

- Maintenance Worker – Position filled and closed.
- Fixed-route Operator – Filled 2 of 3 openings..
- Paratransit Operator – Filled 2 openings due to 1 resignation and 1 employee moving to fixed-route.
- Part-time Bus Cleaner – Filled position and closed.
- Internal recruitments continue for Paratransit Instructor and Relief Dispatcher/CSR were closed.

We continue to have one employee out on workers compensation.

We continue to monitor the guidance provided regarding executive order (EO) 11246. There has been no new guidance relevant to CTS.

Our social media outreach through Facebook saw an increase of 60 new followers last month, in which 37 coincided with our marmot post.

The 2025 Certifications and Assurances process has been delayed. It was recently updated by the Federal Transit Administration (FTA); however, WSDOT has not yet provided their approval. The annual filing deadline has passed; however, WSDOT provided guidance of a 45-day window from the date they sign of off, for agencies to submit the labor letter to them.

Recommended Action

None.

Attachments

None.